THE
Freeman

IDEAS ON LIBERTY

JUNE 1956

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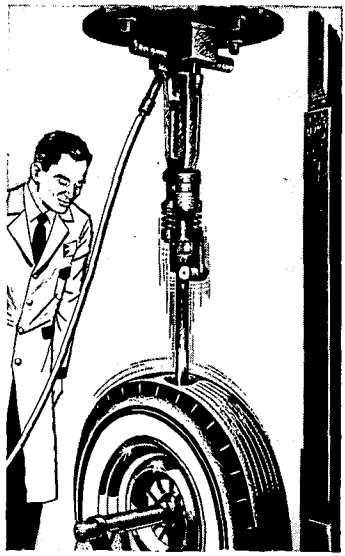

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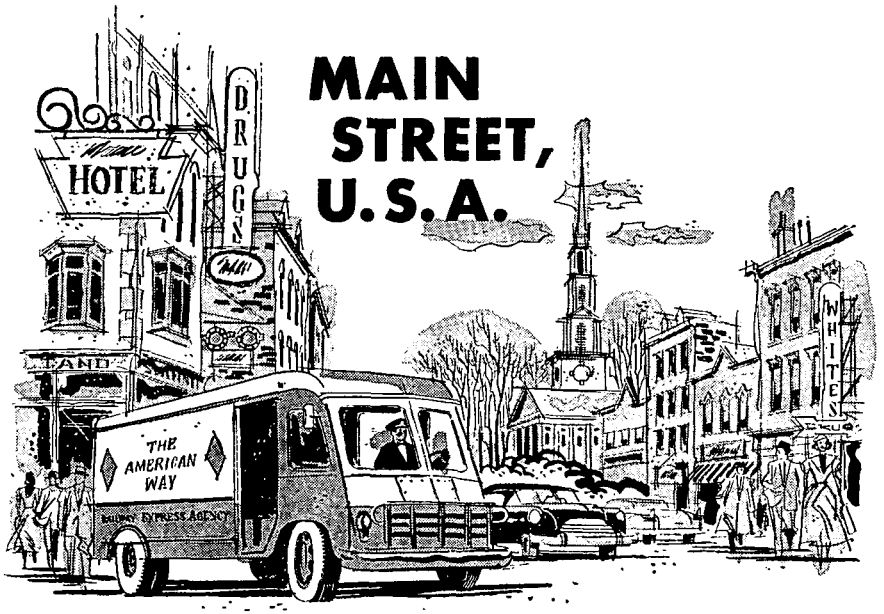

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The Jewel of Consistency

Fred DeArmond

The acid test is that a man live by the principles he professes to believe.

THE STRANGEST thing about this century's collectivist revolution is the amazing discrepancy between words and actions. In the abstract, men speak with the tongues of angels; in the concrete, their actions are often Mephistophelian. If even 51 per cent of those who express stout devotion to liberty and opposition to State socialism had acted and voted as they talked, the revolution would have died a-borning.

Nearly everyone professes loyal devotion to the Constitution — until he starts to translate that devotion into action. "The maximum of local self-government" is an unchallenged adage — until an appropriation is demanded from Washington.

Examples parade in endless procession.

Labor leaders breathe fire and fury on the dangers of business monopoly. Big Business, they say, is erecting a great oligarchy that is crushing free competition and hamstringing our liberties. But in the very next breath they argue passionately that independent unions should be suppressed by law, not permitted to compete with the AFL-CIO. Nor, they add with equal heat, does a dissenting worker have the right to decline union membership.

Not to be outdone in inconsistency, a formidable body of businessmen who oppose government fixing of wages are equally vocal in demanding government fixing of prices. Businessmen have with good reason opposed rigid "parity" price subsidies to farmers, as a form of encroaching socialism. But is "cheap" federal electric power, for which so many businessmen clamor, any less a subsidy than parity payments to farmers? In both cases, the difference between free-market prices and artificial, government-manipulated prices is drawn from the well of public funds that come from taxation. Direct government competition with the electric power industry is a clear invitation to the

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Mr. DeArmond, salesman, writer, and business consultant on personnel training, is a contributor to numerous periodicals and the author of books such as "Executive Thinking and Action" and "How To Sell and Unsell Ideas."

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collectivists to socialize other industries as well as power.

Who has joined in logrolling for federal grants with more zeal than businessmen? Whether to states or communities, whether for airports, highways, street improvements, high dams, new post offices, or aid to education, federal grants are an essential part of the Keynesian policy of Fabian socialism. And yet, how many Chamber of Commerce delegations stifle their principles in order to journey to Washington and stand in line for these handouts!

Businessmen are probably no more inconsistent ideologically than farmers, professionals, and workers. But by all logic and strategy, they should be out front raising a standard of consistency. Because of their position in society, particularly in America, their failure to hew to the line sets a conspicuous and what might well be a fatal example. Since business has so much at stake in a free competitive society, it should step forward in demonstrating the fullest devotion to the principle of individualistic competition. State paternalism is affirmed in all business circles to be a deadly threat to free enterprise and republican government. But businessmen, individually and in groups, continue to ask for government intervention in the economic sphere.

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THE OPPOSITION to collectivism has fumbled again and again because it has been consistently inconsistent. The doctor who won't take his own medicine or the lawyer who disregards his own counsel is bound to be less than convincing.

On the other hand, in one notable respect every move made by the collectivists has fitted into a consistent pattern. That is their leveling urge. The key and nucleus of the whole movement toward statism is to take away from some and give to others. No one has phrased this mania quite so lucidly as William Graham Sumner: "A and B put their heads together to decide what C shall do for D." Analyze down to its sources every "liberal" measure and somewhere in it you will find this basic motivation. It rests on the prime fallacy of the ages, as stated in all its ugly simplicity by the French Revolutionist Babeuf: "We know that every man has an equal right to the enjoyment of every benefit."

If the true liberals of our time — robbed even of their traditional label by the devious semantic arts of the socialists — are to win acceptance in the minds of men, they will have to agree on a few affirmative principles as simple and as fundamental as Babeuf's. But, what is much more than that, they will have to go down the line and live by those principles.

When a businessman, farmer, labor leader, or professional man asks for a "break" from government in his struggle with competition, he is so far inconsistent — if he professes faith in free enterprise. He has opened himself to an unanswerable counterattack by those who contend that the competitive system is ruthless and exploitative, not to be trusted. And it is no defense to say, "Everyone else is getting help; the only way I can keep up is to get mine." This amounts to a defeatist concession that socialism is inevitable.

The acid test for businessmen comes in those no-quarter contests between such competitive groups as railroads and truckers, coal and gas, stock companies and mutuals, chain stores and independents, and the never-ending truculence of "small business" toward "big business." Can not these competitive tests of ability be carried on without asking for the intervention of government?

TODAY, of course, we have to contend with those who claim that consistency is not a virtue. They are fond of citing Emerson's oft-quoted epigram in support of that position. The great Transcendentalist fathered a brood of errors

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in that passing remark. But it is fair to recall that Emerson did not say, "Consistency is the hobgoblin of *little* minds." He qualified his paradox by making it "a foolish consistency." It is also worth noting that in his *Journal* entry for September 29, 1838, the Concord philosopher deplored inconsistency.

The truth about consistency was better stated more than two millenniums earlier by Confucius, who said, "A gentleman is consistent, not changeless."

By the traditional and time-honored ethic, methods and policies can often be compromised successfully; principles cannot. That is where the issue is joined. Today's pragmatists do not accept that view. They hold that there are no principles so vital that they must be adhered to under all circumstances, hence that there is no virtue in consistency. Anything that "works" is justifiable. The innovators are to be the judges of what works.

As Confucius suggested, men may properly change their methods and policies. They may even change their principles. But when one fails to act in conformance with the principles he professes, he is guilty of something akin to a moral lapse.

In stating his theory of compromise, John Morley wrote that "he who begins life by stifling his convictions is in a fair way for ending it without any convictions to stifle."

But the inconsistency that is such an Achilles' heel of American conservatives springs more from foggy thinking and short-sighted expediency than from a true moral lapse. To be consistent, one has to start with certain principles that he will not surrender, even for temporary advantages that might result from compromise. Then one must follow the implications of these principles when put in practice. This second step is the catch of the formula because it calls for the exercise of both intelligence and character.

In a very suggestive sentence of his splendid guide to "The Art of Thought," Graham Wallas has indicated a simple method for plotting a consistent course in a situation that requires a choice. If you suspect that two propositions which you have heretofore accepted as true seem to conflict with each other, examine the natural implications of both until the point of divergence is located. Then follow the one that leads in the same direction as your irreducible principles, and resolutely abandon the other proposition.

WHAT LEADS men into ideological *inconsistencies?*

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The first cause is a blind devotion to immediate pecuniary interests. In business, the bird in hand is not always worth two in the bush. A businessman, for instance, may have to sacrifice here and there for his principles. Usually, the sacrifice will be one of temporary gain for long-run good.

The second cause is confusion as to personal and group loyalties. A man may act against his better judgment, submerge his views, because he is reluctant to differ from friends or family or cherished leaders. Or it may be that he is constrained to hold his nose and go along rather than break with his political party or his church. This kind of action cannot be justified if one is asked to swallow a fallacy or support a fraud that he can't square with the irreducible principles by which his faith and practice are guided. Then he must shake off old loyalties, even if he stands alone.

It must be granted that all organized political action involves compromise. Very often it will appear to any conscientious citizen that he must vote for men and measures which are but the lesser of two evils. But if this is the price that must be paid for political reconciliation of diverse views, then it behooves each of us to look that much harder for nonpolitical alternatives that do not require our voting for an evil.

The inconsistency in political action comes in what John Morley called "a lazy accommodation with error, an ignoble economy of truth," in which we settle for less than the best of which we are capable, because we lack the toughness of mind and character to exert ourselves for truth and right as we see them.

It has become a popular fetish to boast that "I vote for the man, not the party." And, of course, it is important that political power be vested in men of high character and integrity. But this alone will not avert bad government — not if the political technique of deciding by ballot between two evils is thoughtlessly applied when a positively good alternative might have been available. To vote for the man who will most fairly "redistribute the wealth" is and will always be wholly inconsistent with such principles as private ownership and control of property and voluntary exchange between willing buyers and sellers.

Consistency is the jewel that would bring together men of like minds on the issues that really count. Back in Civil War days in the North there was a slogan, "Vote like you shoot!" That crude admonition might be paraphrased to fit today's crisis: Vote and act like you talk!

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Minority Report

August E. Johansen

TWO RECENT incidents, perhaps minor in themselves, raise a serious question in my mind as to what Big Government in the United States is doing to the attitude of some American citizens toward their government and, more important, toward their own citizenship.

One was the remark of a member of a delegation of constituents from the Third District who called on me here in Washington to discuss a controversial national issue. Toward the end of our visit this individual commented that he appreciated my having put the group at ease by receiving them courteously and discussing the matter in a friendly manner, saying that the group had felt some apprehension about discussing the subject with their congressman.

The other incident involved a recent witness before the House Committee on Post Office and Civil Service who, two or three times during his testimony, used the phrase, "Of course, I am just one of the 'little people.'"

What I have to say about these incidents is in no sense a criticism of these individuals. Instead, it is an expression of concern over what is happening in or to our government to create this sort of feeling on the part of our citizens.

The great men who founded this government and who wrote our Constitution had, in times past, been "subjects" — subjects of the government and the king. They were determined that in the government they were creating neither they, nor anyone else, would ever again be a "subject." They believed that the government was to be the subject or the servant, and that the people were to be sovereign citizens, possessing God-given dignity and rights.

More than that, they wrote the Constitution for a double purpose: to protect those rights from the power of the government itself and, through the processes of orderly self-government, to protect those rights from violation or abuse by their fellow-citizens.

To this end they undertook deliberately to set limits on the powers of the federal government, to divide and diffuse those powers both within the federal government and between the federal and the state governments. They

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adopted a Bill of Rights which specifically undertook to deny to government those powers over the citizen which would again make him a subject.

PERHAPS WE NEED to rediscover and reaffirm some of these basic principles of Americanism. With the trend of recent years toward more and more reliance upon centralized federal government as the answer to all our problems — thereby lessening self-government close at home where the citizen can most effectively exercise his sovereignty and control over his public servants — perhaps we are in grave danger of creating something so big and so powerful that the idea creeps in insidiously that those who, for a time, exercise the authority and responsibilities of government have indeed become the masters.

In any event, no citizen ever should entertain doubts as to his privilege and duty to assert his lawful rights before his government, and particularly to express his views or "petition for redress of grievances" to those whom he elects as his representatives in the legislative branch of government.

No American citizen should ever demean himself or his citizenship by the unworthy phrase, "one of the little people."

And while all Americans should respect the lawful processes of Constitutional government, no citizen should ever abdicate the high privilege of the "minority report" and the right of lawful dissent.

A news release of March 28, 1956.

IT MUST BE CONCEDED that there are rights in every free government beyond the control of the state. A government which recognized no such rights, but held the lives, the liberty, and the property of its citizens subject at all times to the absolute disposition and unlimited control of even the most democratic depository of power is, after all, but a despotism of the many — of the majority, but none the less a despotism. The theory of our governments, state and national, is opposed to the deposit of unlimited power anywhere.

SAMUEL FREEMAN MILLER, Associate Justice of the Supreme Court, in *Loan Assn. v. Topeka,* 1875.

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Peace and World Government

Edmund A. Opitz

WARS aren't what they used to be. Men went off to the Spanish-American War with all the excitement of campfire boys on a picnic. Some of them got hurt, of course, and a number succumbed to various diseases. But, as wars go, the Spanish affair was just barely big enough for heroes. One of the heroes of the fracas in Cuba was Theodore Roosevelt, who spoke deprecatingly about the venture. "It was not much of a war," he said, "but it was the best we could do at the time." Such levity was not entirely out of keeping with the temper of the period, but that was three big wars ago. Now, after the experience of the past half century, it is unnatural to jest about war. The next world war which looms on the horizon holds out the prospect of unrelieved horror; little heroism, no glory. Hence the urgency behind our search for any device which gives promise of staving off the impending catastrophe.

World government is one such device, and it has captured the imagination of many intelligent and dedicated people. There are different schemes of world government, but they are alike in advocating a world military police. This gendarmerie is to have a monopoly of the world's military weapons to enforce the universal peace which the world government is established to maintain.

There are many questions of a practical nature that come to mind, such as the basis of national representation in a world government, the kind of charter a world police will operate under, and so on. But these are not basic questions. The basic question is the idea of a world police force *itself* and the *global government* which it implies. Is international war due to the absence of a supranational political government which comprehends all nations; and is a world police the kind of device we can rely on to achieve peace?

Proponents of world government often compare their plan to the process by which the original thirteen colonies formed the United States of America under a federal government. If the colonies could federate, so runs the ar-

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gument, why can't the nations of the world? There are two answers to this argument: one specific, one general.

John Jay provided the specific answer to this question in the second Federalist Paper by saying, in effect, that the thirteen colonies were already one nation *de facto*, so why not make them one nation *de jure*? "America was not composed," he writes, "of detached and distant territories . . . one connected, fertile, widespreading country was the portion of our western sons of liberty . . . . Providence has been pleased to give this one connected country to one united people — a people descended from the same ancestors, speaking the same language, professing the same religion, attached to the same principles of government, very similar in their manners and customs, and who, by their joint counsels, arms and efforts, fighting side by side throughout a long and bloody war, have nobly established general liberty and independence. This country and this people seem to have been made for each other . . . . To all general purposes we have uniformly been one people; each individual citizen everywhere enjoying the same national rights, privileges, and protection. As a nation we have made treaties, and entered into various compacts and conventions with foreign states."

Not even the most enthusiastic world federalist could maintain that the above description of the condition of the colonies applies even remotely to the nations of the world. These are distant from one another, with widely different languages, customs, and religions; full of ancestral antagonisms and often actively hostile. They are not naturally one people as the colonists were one people.

THE GENERAL argument for world government uses the logic of simple arithmetic: If a local police force is a feasible arrangement to deter individuals from disrupting the peace of the local community, why not a world police to deter nations from disrupting the peace of the world community? The first step in answering this question must refer to the facts mentioned above, which point to the conclusion that world government is impossible for geographic and ethnic reasons. "Maybe it's impossible," comes the rebuttal, "but that does not prove it is illogical." How does one answer the person whose "logic" is undismayed by the impossible? Consider an analogy from engineering, the case of a suspension bridge. In a giant bridge, something like 90 per cent of the

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strength of the materials is used to bear the weight of the bridge, and only about 10 per cent is used to bear the weight of the traffic. It is in the order of nature that there is no more than 100 per cent of anything, and with the structural materials now available there is a limit to the length of a suspension bridge. It is somewhat under one mile. One may speak of "a two-mile suspension bridge" but it refers to no reality other than black marks on paper or vibrations in the atmosphere. "World government" is in the same category and for much the same reason.

The point may be driven home by the oyster, whose powers of multiplication are such, we are told, that if all the progeny of a single pair lived and bred for one year there'd be a mass of oysters larger than the earth. It is neither the oyster's logic nor lack of it that prevents this from happening, but the realities of the oyster's environment. In a brilliant essay on "The Size of Living Things," biologist Julian Huxley tells us that "size, which we are apt to take for granted, is one of the most serious problems with which evolving life has had to cope." We are not overwhelmed by oysters or other things because Nature employs the "feed back" principle; it maintains an ecological balance with its built-in governors.

Man is not his own law; he is a creature of limited possibilities. Neither he nor his societies can escape the limitations reality imposes on everything. From the fact that a thousand-foot suspension bridge is an easy feat of engineering there is no logical way to draw the inference that a thousand-mile bridge is possible. Similarly, the fantasm of world government has no logical connection with either the theory or the fact of local government.

BUT THIS IS NOT to dispose of the possibility of a world police authorized by a coalition of nations. This is more than a possibility, as witness Korea, but is it one that recommends itself to thoughtful people? Some doubts come to mind.

The projected world military police force — unless it frightens everyone into submission, in which case it will be the most extensive tyranny in history — will conduct military operations. It is possible to gain a hollow semantic victory for "peace" by labeling war a police action, as was the case with the episode in Korea. But the peace men want is not merely the absence of war — much less is it the "peace" gained by the cheap expedient of calling

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war by another name. Peace is the enjoyment, by persons in society, of the full exercise of their faculties within the limits set by the equal rights of others.

This condition is easy enough to visualize, as an ideal; it is impossible or next to impossible to achieve in practice — for this reason: Man has predatory impulses, and in some men these impulses predominate. Peaceable men desire to exercise their faculties and enjoy the fruits of their labor, but predatory men want to enjoy the same fruits. There is a conflict here, which well-disposed men seek to resolve in their favor by setting up a police force to protect the peaceful business of society against predators. In order that this constabulary may do its job, it is given a social grant of power to curb predation.

So FAR THIS IS very simple. But the next question has never been answered satisfactorily: Who will police the constabulary? In other words, what is to be done when predatory men gain control of the constabulary, or when predatory impulses begin to crop out in its personnel? There is no weapon devised for defensive purposes which cannot be used for aggression. Likewise, a police force and an army: organized for defense, either may be used offensively.

This problem of defensive force turning aggressive has not yet been solved on a small scale where the constable is your next door neighbor and thus pretty much under the collective thumb. How much more complicated is a world constabulary, even in conception! Imagine all the weapons of the world melted down and reforged into a gigantic gun capable of blowing us all to smithereens. Who will aim this gun? Who will pull the trigger? It is just conceivable that an American and a Russian might not find it easy to come to any agreement on either of these questions. But it is inconceivable that the very existence of such a weapon would not touch off a struggle to gain control over it. Whatever the label pinned on this struggle, it will actually be world war. Which points up the dilemma facing any effort to gather up a monopoly of world force in advance of any effective public opinion as to the manner in which this force shall be used.

It will be answered that there is just such an effective public opinion in the almost unanimous desire of the world's people for peace, but this answer has to be qualified in important respects. Peace is a by-product of other conditions; and while many people say they want peace, few know or want the things that make for

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peace. Moreover, the peace each man or nation wants is peace on his own terms; what looks like peace to Smith does not look like peace to Voronsky. Public opinion on behalf of peace is either nonexistent or too feeble. Where it does muster some strength it almost always relies on wrong means.

HOW ELSE can we account for this century's deep involvement in senseless war while all the while it proclaims its dedication to peace? Some wars in history have had at least the surface appearance of rationality; the results could be measured by additional territory, slaves, gold, and the like. War is one instrumentality for the attainment of such ends; not the best one perhaps, but neither is it an entirely incongruous one. But to invoke world war as a means of achieving brotherhood, eliminating aggressor nations, and establishing perpetual peace is little short of insane! World Wars I and II produced their evil results utterly heedless of the grandiose official and popular declarations of why these wars were fought.

Both wars received official and popular endorsement as crusades to stamp out "aggressor nations." But the military action in neither case had the precision which marks a successful police action. Each was characterized by the brutal, senseless, and purposeless force that marks a natural cataclysm like an earthquake. In short, these wars are symptomatic of social ills which lie beneath the surface. They indicate that western society is in various stages of disintegration as its main ideas lose their power over men's minds.

The League of Nations was a reaction to World War I, as the United Nations was a reaction to World War II. Both organizations were based on a faith in large-scale political action which is entirely unwarranted by experience. "An assemblage of states will no more produce a universal moral order than a lot of lobsters thrown into a pound will produce a republic of lobsters," William Aylott Orton tells us in his book *The Liberal Tradition* (pp. 238-239). He continues, "If you pretend that such ethical values as peace, freedom, justice are going to be secured by an international assemblage of bombing planes: then you merely multiply the occasion on which physical force may be plausibly invoked, and invite a perpetuation of that political chicanery of which, this past quarter century, all decent men have had a bellyful. The relation of political realities to ethical values is not one of means to ends. To suppose

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that the tangible aims and purposes of the great powers will be subordinated to ideal ends by the creation of an international assembly that they themselves will convoke and control is naive in the extreme."

This problem is too deeply rooted to be affected, let alone cured, by the application of external political panaceas. Modern societies lack cohesion. The natural ties that bind men in community have weakened, and the resulting damage cannot be repaired by external patching. A barrel is held together by hoops around the outside; but conceivably the staves could also be held in place by interior lines of force. Only something analogous to these internal fasteners can hold society together; lacking these, society has nothing comparable to barrel hoops to hold itself together. The problem would be serious even if things were static; but they are not. If an irresistible force is exploding inside the barrel, no strengthening of the hoops around the outside will prevent the staves from flying apart. Our society is in the grip of just such a centrifugal force, and although it appears benign, it is actually tearing society apart. Unless it can be annulled, the erection of a world-wide political mechanism to prevent society from committing suicide will be as futile as trying to heat a room by holding a match under a thermometer.

"All men desire peace," remarked Thomas a Kempis, "but not many desire the things that make for peace." Unless men know what things make for peace, they cannot desire them. Without this knowledge they may unwittingly start off on a course of action whose first steps seem innocent enough but whose last step is war. Almost no one intends the last step, but it is difficult to avoid this end if one takes the first steps toward it.

THERE IS A CORE of natural pugnacity in all of us, more than likely, and some of us are more adequately supplied than others. So there are going to be brawls and minor riots—which we can pretty well take in our stride. Even a riot involving scores of men, bad as it may be, is a far cry from war, which is a carefully calculated conflict between groups of specially trained men. This kind of conflict requires rationalization, exhortation, and pressure. Occasionally there is moral justification for such a conflict in the matter of defense. When this is the case, the individual does not need someone else to volunteer his life and property for him; he is competent to decide for himself.

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In most persons, the desire for peace overrides natural belligerency. So much is this the case that the continuous war we are engaged in must be sold to us as a means of attaining universal peace. How does it happen that even as we declare for peace we prepare for war? To the extent that our aversion to war is genuine — and this is largely the case — it becomes obvious that the war we don't want is an unforeseen consequence of our efforts to get something else. If we analyze our predicament further, we can detect a similarity of principle between the operations of the Welfare State or other varieties of collectivism, and the operational imperatives of a nation at war. We would do well to examine the inference which may be drawn from this observation: that the first steps to war are taken when society adopts a mischievous domestic policy.

The purpose of war, according to Clausewitz, is to impose your will on the enemy, or prevent him from imposing his will on you. In a Welfare State, or under full-blown socialism, the mass of men are guided, regulated, directed, and controlled by those wielding political power. On principle, the wills of a large segment of the nation are bent to conform to the master plan imposed on them by those who believe themselves competent to plan the lives of others. When this occurs in a society as a permanent peacetime policy, that society has taken the first steps of a course whose last step is war. The principle of socialism or the Welfare State has in it, inevitably, the germs of war.

Conscription for military service is but the more immediate application to military purposes of the control of individuals which is inherent in socialist policy. Some socialists oppose conscription but endorse its logical counterparts; conscription follows theoretically from the rest of their beliefs. These people object to the use of a lot of force on foreigners; they advocate the use of a little force on domestics. But if you start doing the latter, there is no stopping place short of the former.

Control merely for the sake of control soon loses its zest. The popularity of socialistic and Welfare State schemes is due to the use of control for the redistribution of goods. Goods can be had by production, trade, or gifts. But other peoples' goods can also be had as a result of political privilege. All varieties of collectivism traffic in political privilege. So do other societies, but not on principle, and therein lies a major difference.

If the producers of a nation are

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to be exploited on principle by the political class, it follows that the political class can better its circumstances if it has more producers and more territory to exploit. It gets more producers and more territory by conquest. Thus, the first steps to war are taken in the setting up of a system of political privilege as a means of acquiring other men's goods. When men rely on political privilege to acquire economic goods, they have already embraced the near end of a principle whose far end is war.

If we don't like the last step, we shouldn't take the first. In the matter of modern war, the first step is the acceptance by almost all men everywhere, of the false assumption that political committees are competent to run peoples' lives. The first steps to peace are in the direction of a voluntary society in which each person is free to direct his own energy so long as he allows the same right to others. There is no Utopia in this direction, but in striving for a voluntary society we may at least avoid such debacles as now plague our world.

HENCE, OUR DILEMMA. If we can revolutionize opinion about social organization so that we rid ourselves of arbitrary political interventions in economic and social life, we won't need a world police; if we can't change opinion in this area in favor of a strictly limited government, a world police would either be helpless to prevent war or would itself be the worst tyranny history has known.

Ideas have only one source: the free mind. They develop and spread as interpersonal communication between individuals is facilitated. No social force is so powerful as the healthy contagion of ideas. For good or ill, they will have their way in time against any obstacle.

The only lasting antidote to war consists of extending limited government ideas to the nations of the world; and the first step is for these ideas to capture the minds and loyalties of men. Not only other men, but us. Even in the United States, wrong ideas about social organization have allowed our several governments at different levels to get out of hand. Desire for a world government stems from the same errors which have pushed us off base domestically. There is no recovery save in a changed climate of opinion — no short cut to peace. A world society, in contrast to a supergovernment, is a worth-while objective; but there is no way to attain it except as ideas of personal liberty gain ground and push government into the limited role of curbing aggression.

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The Dogma of Our Times

Frank Chodorov

WHAT HISTORY will think of our times is something that only history will reveal. But, it is a good guess that it will select collectivism as the identifying characteristic of the twentieth century. For even a quick survey of the developing pattern of thought during the past fifty years shows up the dominance of one central idea: that Society is a transcendent entity, something apart and greater than the sum of its parts, possessing a suprahuman character and endowed with like capacities. It operates in a field of its own, ethically and philosophically, and is guided by stars unknown to mortals. Hence, the individual, the unit of Society, cannot judge it by his own limitations nor apply to it standards by which he measures his own thinking and behavior. He is necessary to it, of course, but only as a replaceable part of a machine. It follows, therefore, that Society, which may concern itself paternalistically with individuals, is in no way dependent on them.

In one way or another, this idea has insinuated itself into almost every branch of thought and, as ideas have a way of doing, has become institutionalized. Perhaps the most glaring example is the modern orientation of the philosophy of education. Many of the professionals in this field frankly assert that the primary purpose of education is not to develop the individual's capacity for learning, as was held in the past, but to prepare him for a fruitful and "happy" place in Society; his inclinations must be turned away from himself, so that he can adjust himself to the mores of his age-group and beyond that to the social milieu in which he will live out his life. He is not an end in himself.

Jurisprudence has come around to the same idea, holding more and more that human behavior is not a matter of personal responsibility as much as it is a reflection of the social forces working on the individual; the tendency is to shift onto Society the blame for crimes committed by its members. This, too, is a tenet of sociology, the increasing popularity of which, and its elevation to a science, attest to the hold collectivism has on our times. The scientist is no longer honored as a bold adventurer into the unknown, in

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search of nature's principles, but has become a servant of Society, to which he owes his training and his keep. Heroes and heroic exploits are being demoted to accidental outcroppings of mass thought and movement. The superior person, the self-starting "captain of industry," the inherent genius — these are fictions; all are but robots made by Society. Economics is the study of how Society makes a living, under its own techniques and prescriptions, not how individuals, in pursuit of happiness, go about the making of a living. And philosophy, or what goes by that name, has made truth itself an attribute of Society.

Collectivism is more than an idea. In itself, an idea is nothing but a toy of speculation, a mental idol. Since, as the myth holds, the suprapersonal Society is replete with possibilities, the profitable thing to do is to put the myth to work, to energize its virtue. The instrument at hand is the State, throbbing with political energy and quite willing to expend it on this glorious adventure.

STATISM is not a modern invention. Even before Plato, political philosophy concerned itself with the nature, origin, and justification of the State. But, while the thinkers speculated on it, the general public accepted political authority as a fact to be lived with and let it go at that. It is only within recent times (except, perhaps, during periods when Church and State were one, thus endowing political coercion with divine sanction) that the mass of people have consciously or implicitly accepted the Hegelian dictum that "the State is the general substance, whereof individuals are but the accidents." It is this acceptance of the State as "substance," as a suprapersonal reality, and its investment with a competence no individual can lay claim to, that is the special characteristic of the twentieth century.

In times past, the disposition was to look upon the State as something one had to reckon with, but as a complete outsider. One got along with the State as best one could, feared or admired it, hoped to be taken in by it and to enjoy its perquisites, or held it at arm's length as an untouchable thing; one hardly thought of the State as the integral of Society. One had to support the State — there was no way of avoiding taxes — and one tolerated its interventions as interventions, not as the warp and woof of life. And the State itself was proud of its position apart from, and above, Society.

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The present disposition is to liquidate any distinction between State and Society, conceptually or institutionally. The State *is* Society; the social order is indeed an appendage of the political establishment, depending on it for sustenance, health, education, communications, and all things coming under the head of "the pursuit of happiness." In theory, taking college textbooks on economics and political science for authority, the integration is about as complete as words can make it. In the operation of human affairs, despite the fact that lip service is rendered the concept of inherent personal rights, the tendency to call upon the State for the solution of all the problems of life shows how far we have abandoned the doctrine of rights, with its correlative of self-reliance, and have accepted the State as the reality of Society. It is this actual integration, rather than the theory, that marks the twentieth century off from its predecessors.

ONE INDICATION of how far the integration has gone is the disappearance of any discussion of the State as State — a discussion that engaged the best minds of the eighteenth and nineteenth centuries. The inadequacies of a particular regime, or its personnel, are under constant attack, but there is no fault-finding with the institution itself. The State is all right, by common agreement, and it would work perfectly if the "right" people were at its helm. It does not occur to most critics of the New Deal that all its deficiencies are inherent in any State, under anybody's guidance, or that when the political establishment garners enough power a demagogue will sprout. The idea that this power apparatus is indeed the enemy of Society, that the interests of these institutions are in opposition, is simply unthinkable. If it is brought up, it is dismissed as "old fashioned," which it is; until the modern era, it was an axiom that the State bears constant watching, that pernicious proclivities are built into it.

A few illustrations of the temper of our times come to mind.

The oft-used statement that "we owe it to ourselves," in relation to the debts incurred in the name of the State, is indicative of the tendency to obliterate from our consciousness the line of demarcation between governed and governors. It is not only a stock phrase in economics textbooks, but is tacitly accepted in many financial circles as sound in principle. To many modern bankers a government bond is at least as sound as an obligation of a private citizen, since the bond is in fact an

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obligation of the citizen to pay taxes. Those bankers make no distinction between a debt backed by production or productive ability and a debt secured by political power; in the final analysis a government bond is a lien on production, so what's the difference? By such reasoning, the interests of the public, which are always centered in the production of goods, are equated with the predatory interests of the State.

In many economics textbooks, government borrowing from citizens, whether done openly or by pressure brought upon the banks to lend their depositors' savings, is explained as a transaction equivalent to the transfer of money from one pocket to another, of the *same pants;* the citizen lends to himself what he lends to the government. The rationale of this absurdity is that the effect on the nation's economy is the same whether the citizen spends his money or the government does it for him. He has simply given up his negligible right of choice. The fact that he has no desire for what the government spends his money on, that he would not of his own free will contribute to the buying of it, is blithely overlooked. The "same pants" notion rests on the identification of the amorphous "national economy" with the well-being of the individual; he is thus merged into the mass and loses his personality.

Of a piece with this kind of thinking is a companion phrase, "We are the government." Its use and acceptance is most illustrative of the hold collectivism has taken on the American mind in this century, to the exclusion of the basic American tradition. When the Union was founded, the overriding fear of Americans was that the new government might become a threat to their freedom, and the framers of the Constitution were hard put to allay this fear. Now it is held that freedom is a gift from government in return for subservience. The reversal has been accomplished by a neat trick in semantics. The word "democracy" is the key to this trick. When one looks for a definition of this word, one finds that it is not a clearly defined form of government but rather the rule by "social attitudes." But, what is a "social attitude"? Putting aside the wordy explanations of this slippery concept, it turns out to be in practice good old majoritarianism; what 51 per cent of the people deem right is right, and the minority is perforce wrong. It is the General Will fiction under a new name. There is no place in this concept for the doctrine of inherent rights; the only right left to

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the minority, even the minority of one, is conformity with the dominant "social attitude."

If "we are the government," then it follows that the man who finds himself in jail must blame himself for his plight, and the man who takes all the tax deduction the law allows is really cheating himself. While this may seem to be a farfetched *reductio ad absurdum*, the fact is that many a conscript consoles himself with that kind of logic. This country was largely populated by escapees from conscription — called "czarism" a generation or two ago, and held to be the lowest form of involuntary servitude. Now it has come to pass that a conscript army is in fact a "democratic" army, composed of men who have made adjustment with the "social attitude" of the times. So does the run-of-the-mill draftee console himself when compelled to interrupt his dream of a career. Acceptance of compulsory military service has reached the point of unconscious resignation of personality. The individual, as individual, simply does not exist; he is of the mass.

THIS IS THE FULFILLMENT of statism. It is a state of mind that does not recognize any ego but that of the collective. For analogy one must go to the pagan practice of human sacrifice: when the gods called for it, when the medicine man so insisted, as a condition for prospering the clan, it was incumbent on the individual to throw himself into the sacrificial fire. In point of fact, statism is a form of paganism, for it is worship of an idol, something made by man. Its base is pure dogma. Like all dogmas this one is subject to interpretations and rationales, each with its coterie of devotees. But, whether one calls himself a communist, socialist, New Dealer, or just plain "democrat," each begins with the premise that the individual is of consequence only as a servant of the mass-idol. Its will be done.

There are stalwart souls, even in this twentieth century. There are some who in the privacy of their personality hold that collectivism is a denial of a higher order of things. There are nonconformists who reject the Hegelian notion that "the State incarnates the Divine Idea on earth." There are some who firmly maintain that only man is made in the image of God. As this remnant — these individuals — gain understanding and improve their explanations, the myth that happiness is to be found under collective authority must fade away in the light of liberty.

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Perhaps the best way to review "a descriptive and critical bibliography of works on the philosophy of individualism" is to let the compiler explain why he did it.

The following passages are from Henry Hazlitt's introduction to his latest book, *The Free Man's Library* (New York: D. Van Nostrand Company, Inc. $3.50. Also available through the Foundation for Economic Education, Irvington-on-Hudson, N. Y.) This descriptive listing of more than 540 outstanding contributions to the literature of freedom begins with the early seventeenth century and carries through to our own time.

The Literature of Freedom

Henry Hazlitt

THE FREE MAN'S LIBRARY is a descriptive and critical bibliography of works on the philosophy of individualism — "individualism" in a broad sense. The bibliography includes works which explain the workings and advantages of free trade, free enterprise, and free markets; which recognize the evils of excessive state power; and which champion the cause of individual freedom of worship, speech, and thought.

Such a compilation seemed to me to be increasingly urgent because so few writers and speakers on public questions today reveal any idea of the wealth, depth, and breadth of the literature of freedom. What threatens us today is not merely the outright totalitarian philosophies of fascism and communism, but the increasing drift of thought in the totalitarian direction. Many people today who complacently think of themselves as "middle-of the-roaders" have no conception of the extent to which they have already taken over statist, socialist, and collectivist assumptions — assumptions which, if logically followed out, must inevitably carry us further and further down the totalitarian road.

One of the crowning ironies of

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the present era is that it is precisely the people who flatteringly refer to themselves as "liberals" who have forgotten or repudiated the essence of the true liberal tradition. The typical butts of their ridicule are such writers as Adam Smith, Bastiat, Cobden ("the Manchester School"), and Herbert Spencer. Whatever errors any of these writers may have been guilty of individually, they were among the chief architects of true liberalism. Yet our modern "progressives" now refer to this whole philosophy contemptuously as *laissez faire*.

MANY OF TODAY'S writers who are most eloquent in their arguments for liberty in fact preach philosophies that would destroy it. It seems to be typical of the books of our intelligentsia to praise one kind of liberty incessantly while disparaging or ridiculing another kind. The liberty that they so rightly praise is the liberty of thought and expression. But the liberty that they so foolishly denounce is economic liberty.

Unfortunately the authors who have fallen into this practice include some of the finest minds of our generation. (I think particularly of Bertrand Russell and the late Morris Cohen.) Such writers seem to me to be at least in part reflecting an occupational bias. Being writers and thinkers, they are acutely aware of the importance of liberty of writing and thinking. But they seem to attach scant value to economic liberty because they think of it not as applying to themselves but to businessmen. Such a judgment may be uncharitable; but it is certainly fair to say that they misprize economic liberty because, in spite of their brilliance in some directions, they lack the knowledge or understanding to recognize that when economic liberties are abridged or destroyed, all other liberties are abridged or destroyed with them. "Power over a man's subsistence," as Alexander Hamilton reminded us, "is power over his will." And if we wish a more modern authority, we can quote no less a one than Leon Trotsky, the colleague of Lenin, who in 1937, in a moment of candor, pointed out clearly that: "In a country where the sole employer is the State, opposition means death by slow starvation: The old principle: who does not work shall not eat, has been replaced by a *new one: who does not obey shall* not eat."

LIBERTY is a whole, and to deny economic liberty is finally to destroy all liberty. Socialism is irreconcilable with freedom. This is the lesson that most of our mod-

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ern philosophers and littérateurs have yet to learn.

Historically, the liberals fought against governmental tyranny; against governmental abridgment of freedom of speech and action; against governmental restrictions on agriculture, manufacture, and trade; against constant detailed governmental regulation, interference, and harassment at a hundred points; against (to use the phrases of the Declaration of Independence) "a multitude of new offices" and "swarms of officers"; against concentration of governmental power, particularly in the person of one man; against government by whim and favoritism. Historic liberalism called, on the other hand, for the Rule of Law, and for equality before the law. The older conservatives opposed many or most of these liberal demands because they believed in existing governmental interferences and sweeping governmental powers; or because they wished to retain their own special privileges and prerogatives; or simply because they were temperamentally fearful of altering the status quo, whatever it happened to be.

THOSE WHO FLATTERINGLY call themselves "liberals" today, and to whom confused opponents allow or even assign the name, are for nearly everything that the old liberals opposed. Most self-styled present-day "liberals," particularly in America, are urging the constant extension of governmental power, of governmental intervention, of governmental "planning." They constantly press for a greater concentration of governmental power, whether in the central government at the expense of the States and localities or in the hands of a one-man executive at the expense of any check, limitation, or even investigation by a legislature. And they look with favor on an ever-growing bureaucracy and on the spread of bureaucratic discretion at the expense of a Rule of Law. Those who oppose this trend toward a new despotism, on the other hand, and plead for the preservation of the ancient freedoms of the individual, are today's conservatives. The intelligent conservative, in brief, is today the true defender of liberty.

THIS CONCLUSION should not seem too paradoxical. It was always possible to reconcile intelligent conservatism with real liberalism. There is no conflict between wishing to conserve and hold the precious gains that have been achieved in the past, which is the aim of the true conservative, and wishing to carry those achievements even further, which is the aim of the true liberal.

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The privilege of the writ of habeas corpus shall not be suspended . . .

The liberty of person guaranteed in the foregoing language of our federal Constitution and paraphrased in our state constitutions needs occasional dramatization lest we forget its significance.

The following experiences of a young refugee from communist tyranny serve as a reminder that freedom includes respect for the dignity of each individual, thus enabling even a minority of one to challenge the authority of any power which would constrain him without due process of law.

Habeas Corpus to the Rescue

Alexander T. Jordan

AT the old Mark Brown's Wharf in London, on Wednesday, July 28, 1954, the "Jaroslaw Dabrowski," flying the flag of Communist Poland, was unloading huge bales of wood wool used for packing. Agile cockney dockers went down into the hold to lash the bales to chains swung from an old-fashioned crane.

Suddenly a scream was heard from the hold. Sidney Palmer, one of the dockers, shouted, "There's a ghost down here!" He had been scared by a long, thin arm reaching out from behind some bales. His mates rushed down and found an emaciated young man lying there — obviously a stowaway. He was too weak to stand up, and they could not understand his broken English.

"He kept on saying, 'English police,' and 'water,' " Palmer later recounted, "so I gave him a cigarette and my mate went to fetch some water. We laid him on a board and attached the crane chains to it, and swung him up to the deck. If we had known then what we do now, we could have swung him ashore."

Antoni Klimowicz, the young stowaway, tried to tell the Englishmen to get him off the ship. But as soon as he landed on deck,

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the ship's officers dragged him off and locked him in a cabin.

The whole matter might have ended there, but for a British prejudice of long standing against anyone being held prisoner without due legal process. Under the Habeas Corpus Act of 1679, any person knowing about a man's unlawful detention may apply for a writ ordering the jailer to "have at the Royal Courts of Justice the body of" the prisoner.

Klimowicz had gone to sea in 1949, and had served for two years on the "Jaroslaw Dabrowski." Son of a worker, too young to remember prewar Poland, he might have accepted the new regime. But in 1951 he was asked to spy on his shipmates. When he refused, he was stamped "politically unreliable." As a result, when called up as a conscript, he did not serve in the navy as would have been normal for a seaman, but in the army, where opportunities for escape are fewer.

After his discharge from the army, he applied for his old job on the "Jaroslaw Dabrowski" but was turned down. His secret-police record was following him around.

Klimowicz knew the sailing schedule of his old ship and was familiar with its layout. When he saw her at the Gdynia docks on July 22, he knew she was due in London four days later. Acting on impulse, he slipped into the hold, without provisions or water. He made for himself a tiny hiding nook, no bigger than a coffin. Soon the huge bales of wood wool were lowered over him and Klimowicz was buried alive. He could not even give himself up to the crew before the cargo was unloaded in London, since he had no means of attracting their attention.

Time passed and the ship was still in harbor. A mechanical failure caused the sailing to be delayed for two days. By the time the "Jaroslaw Dabrowski" was under way on the 24th, the stowaway was already suffering acute thirst and hunger, and wondering whether he would last out the four-day voyage and the unloading. When the ship finally docked, he was too weak to stand. That is how he came to be discovered that Wednesday afternoon, after nearly six cramped, hungry, and thirsty days in total darkness.

The next day, young Klimowicz was interrogated by an immigration officer, in the presence of the skipper, who helpfully served as interpreter. Concluding that he was dealing with an ordinary stowaway, the British official refused him permission to land — normal procedure with persons attempting to enter the country without proper documents.

By Friday the story had spread

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among the London Poles, who began to gather on the quayside. That evening over a hundred of them were marching up and down, chanting anticommunist slogans and angrily demanding the release of their countryman. Reporters and photographers were also at the scene — but on a different story.

They were covering the voluntary departure, aboard the same freighter, of two American citizens. Dr. Joseph Cort, 26, and his wife had resided in Britain for some time. When Cort received a draft notice from the American consulate, he declared that he would not return to his native United States to face "terror and persecution" for his procommunist views, but would settle in Red Czechoslovakia, "to live in a free country."

Twice Klimowicz was visited by a Polish political officer. At first the officer was beguilingly polite: "If you sign this paper, agreeing to go back voluntarily, I will see to it that you are given a good job on your return. You will get a scholarship to the Merchant Marine Academy and become an officer. You have a fine career ahead of you, my friend, if you go home." But Klimowicz knew too well what awaited him at the hands of the secret police. He refused to sign.

When the political officer returned the following day, there were no more honeyed words. He threatened his prisoner, but Klimowicz still refused to sign.

AT THE QUAYSIDE, one of the alerted Poles, whom we will call Kowalski, had the idea of enlisting the help of the police by lodging a fictitious charge against Klimowicz. He went up to the inspector in command of the police detail on the wharf and said, "A man on board this ship stole my wallet, containing one pound and 13 shillings. I want him arrested before he leaves British jurisdiction!" The inspector, guessing Kowalski's motives, refused to take any action.

Kowalski thereupon sought out the address of the nearest magistrate and rushed by taxi to his home, rousing him from bed to obtain an arrest warrant. "Are you quite sure it was only one pound 13 shillings?" the magistrate asked. Kowalski hastily revised it to ten pounds and the magistrate signed the complaint.

Back at the quay, the Pole triumphantly produced the paper, but the inspector refused to budge. "Your information is incorrect, sir," he said placidly. Kowalski raised his voice so that the reporters could hear him. "It will be a sad day for this country," he

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said, "when the police take over the duties of the judiciary. Only a magistrate can decide whether my information is correct or not."

The reporters, already intrigued by the chanting demonstrators, swarmed around, asking questions. "Gentlemen, you are witnessing a murder!" Kowalski shouted. Somewhat shaken, the inspector vanished, probably to consult his superiors at Scotland Yard by telephone. In the meantime the "Jaroslaw Dabrowski" took a pilot on board and started moving downstream. Although it was now past midnight, the Poles were still on the docks, cursing the communists. Some of the women were weeping.

As THE freighter disappeared in the mist below Tower Bridge, the first round of the fight for Klimowicz's freedom was lost. But the wheels of British justice had been set in motion by the bogus charge against him — and once started they never stop.

At 2:20 a.m., off Woolwich Reach, some way down the Thames, the "Jaroslaw Dabrowski" was ordered to stop by the blinking lights and wailing sirens of police launches, alerted by radio. By Saturday morning the story was on the radio and in the early Saturday papers — "a communist kidnapping" some called it.

Early Saturday a Polish-born London attorney, Jan Jaxa, decided to invoke the Habeas Corpus Act. Unfortunately an annual English Bank Holiday — the first weekend in August — was just beginning and nearly everyone had left London for the country. Yet the Registrar of the High Court of Justice, when Jaxa explained the situation to him, agreed to stand by with his staff throughout the day, and if need be, even Sunday, to issue the Writ of Habeas Corpus as soon as a "leave" was obtained from a judge. To forego the Bank Holiday weekend is a major sacrifice for Londoners.

Jaxa then drove his car through the heavy holiday traffic to the home of the Honorable Mr. Justice Davies in Great Missenden, Buckinghamshire, about 35 miles west of London. When Jaxa arrived in the early afternoon, he found the jurist in corduroys, tending his rose garden. The judge evidently knew the purpose of the visit, for he approached the attorney with outstretched hand. "I am afraid, Mr. Jaxa, that you are too late," he said.

The lawyer looked stunned. He visualized the communist ship sailing eastward, already out of British territorial waters. But the judge continued calmly: "The Chief Justice of England, Lord

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Goddard, has just granted leave to issue a Writ of Habeas Corpus and appropriate action is being taken." The attention focused on the case by the quayside demonstrations and the charge against the stowaway had not been wholly wasted.

There remained the little matter of serving the writ on the skipper of the "Jaroslaw Dabrowski." When Prime Minister Churchill heard about the situation, he reportedly snorted, "Haven't we any destroyers left?" Lightning action followed. The destroyer "Obdurate" soon was steaming down the Thames, ready to stop the Polish ship within British waters, by force if necessary, if she tried to slip through the screen of police launches.

"Jaroslaw Dabrowski's" lights were dimmed that night. In his dark cabin Klimowicz was listening in dread for the sound of its engines, which would indicate the departure of the ship for the open sea and Gdynia. But instead he heard approaching motor boats. It was 10:45 p.m. on Saturday, July 31.

Ten launches of the Thames police surrounded the ship, keeping their engines running. A boarding party of 30 husky policemen in their tall cloth helmets clambered up the rope ladder, under command of Sir John Nott-Bower, Commissioner of the Metropolitan Police, better known as Scotland Yard. Sir John politely asked the skipper to deliver "the body of Antoni Klimowicz" in the terms of the Act of 1679 — devised to safeguard liberty against feudal abuses and now serving against communist tyranny.

Captain Glowacki, who had been conferring through the day with the Polish Ambassador, refused to comply. About 30 members of the crew faced the unarmed bobbies. Some garbage was thrown at the police and a fight seemed imminent.

Sir John ordered the ship searched. His bobbies soon located a locked cabin. Seizing some fire axes, they hacked the door to pieces. A British immigration official was the first to greet Klimowicz. "You are free!" he said in good Polish.

After Klimowicz was taken off, the "Jaroslaw Dabrowski" sailed to Gdynia, taking Dr. Cort and his wife to Red sanctuary. Did the Klimowicz case give them some food for thought? Here was a simple sailor, the son of workers, risking his life to escape Soviet rule. Here was the government machinery of a great nation set in motion to secure the freedom of one humble human being.

A hearing in the High Court of Justice, on Tuesday, August 3,

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lasted less than two minutes. The Lord Chief Justice made an order staying further proceedings under the Habeas Corpus Act, and left the matter of the young man's future status for the decision of the Home Secretary, Sir David Maxwell Fyfe. Meanwhile, Klimowicz remained under the protection of British security officials. On Saturday, August 7, he received permission to remain in Britain.

In accordance with arrangements made by the security officers, a group of London Poles met their rescued countryman at Victoria Station. The bustling crowds did not recognize the young man in a shabby raincoat and a seaman's cap over his curly hair. He was no longer a celebrity — just a free man.

Now visiting the United States, Antoni Klimowicz is telling Polish-Americans about life in their captive homeland. He is telling them also about what he could not know when London bobbies broke down his cabin door: how a great democratic nation, from cockney dockers to the Lord Chief Justice, was galvanized into quick action by the plight of a simple fugitive from communism.

IT IS FIRMLY IMPLANTED in our common law tradition that it is better for ten miscreants to go free than for one innocent to be incarcerated.

THOMAS E. DEWEY, *The Study of Release Procedures for Mental Patients in New York State*, 1954

THE VERY PURPOSE of a Bill of Rights was to withdraw certain subjects from the vicissitudes of political controversy, to place them beyond the reach of majorities and officials and to establish them as legal principles to be applied by the courts. One's right to life, liberty, and property, to free speech, a free press, freedom of worship and assembly, and other fundamental rights may not be submitted to vote; they depend on the outcome of no elections.

Supreme Court, *Board of Education v. Barnette*, 319 U. S. 624, 638

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A Free Market

Ben Moreell

WHAT IS MEANT by "the free market"? To answer this question we have to go back a step or two. Economics deals with desired goods in short supply. Air is not generally an economic good because there is enough for everyone and some to spare; "conditioned" air, however, is an economic good. So is almost everything else we need for living — or living well. Most things on this planet cannot be consumed directly; human labor must be expended on them before the consumer's wants may be satisfied. Consumer wants are virtually unlimited, but both raw materials and manufactured goods are limited. So our question is: How shall we go about applying limited human energy to scarce goods for the greatest satisfaction of the most urgent human wants?

Roughly speaking, there are two answers to this question of how to harness and set in motion productive forces: (a) by political planning of economic production, and (b) by consumer choices freely expressed in the market place. The Swiss economist, Wilhelm Roepke, has put the matter this way: "The character, manner and quantity of production is determined either by those affected by it, that is by those whose needs are met by this production, or it is determined by other agencies." The former pattern is created by the free choices of uncoerced men and women; the latter is based on whatever compulsions are necessary to set aside such free choices.

One may put the matter even more simply by saying that under conditions of political liberty a certain pattern of economic activity will emerge. This pattern is the market. The economic aim of a totalitarian state is to annul the decisions of the market by replacing free personal choice with political directives, allocations, and over-all plans.

In short, human liberty, in one of its facets, is consumer choice and direction of productive activity. And individual liberty, in turn, is an important element of our Christian heritage.

The free market has never been 100 per cent operative, but this is not to say that it has never exist-

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ed. Neither has Christianity ever been 100 per cent operative. But it is a wrong inference from this fact to declare that Christianity has never existed. To the extent that people are free, the market is operative.

Some persons fear that "an uncontrolled market would result in economic anarchy." Again we are involved in a question of terminology. An uncontrolled market is simply another way of referring to men freely and peacefully engaged in economic production and exchange. I have never encountered a valid argument, on moral or any other grounds, to justify the control of any person's creative and peaceful actions against his will by any other person or combination of persons. If a free society, as opposed to a totalitarian one, is anarchical, I suppose that by the same reasoning, the economic activities of a free society result in economic anarchy. But the actual facts are quite different. Economics is based on the regularity in the sequence and interdependence of market phenomena. Harmony is the keynote — not chaos.

Men should be wholly free in their creative activities. As a matter of fundamental principle, there is no more warrant for attempting to clamp political controls on a man's energies in his shop than there is to put his energies under political control in his church, his classroom, his editorial office, or his study. If freedom is good in any one of these places, which I believe, it is good in every one of these places—which I also believe.

FOR MEN CAN NEVER BE FREE, unless they are educated to freedom. And this is not the education which is to be found in schools, or gained from books; but it is that which consists in self-discipline, in self reliance, and in self-government.

THOMAS HENRY BUCKLE, *History of Civilization in England* (1861)

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Why Wages Rise:

4. TOOLS TO HARNESS ENERGY

F. A. Harper

The first two articles in this series dealt with the effect on wages of (1) union membership and (2) productivity. The third dealt with the division of the total product between pay for current effort and pay for the use of capital; how tools, provided out of savings, make it possible for the average person in the United States to produce perhaps twenty times as much as he could without them. This article deals with the reasons why production has increased so magnificently with the use of tools.

Food from Sun's Energy

All life on earth is developed, sustained, and powered by energy from the sun. And that is the beginning of the story of how man has harnessed energy to improve his level of living.

Man cannot use the sun's energy directly, except as it warms him and thus conserves the fuel already in his body for other uses. Were it possible to do this, the earth probably would be populated in unbelievable numbers; for the amount of energy coming from the sun is fantastically great.

Humans require a converter to change the sun's energy into usable forms. All human food comes directly or indirectly from plants which make direct use of the sun's energy in their growth. Plants are not, however, very efficient in doing this because about 10,000 units of the sun's energy are required to produce and store ten units of energy in the grown plant.[1]

Plants are in a sense, then, tools of mankind—the basic tools in man's life, without which there could be no human life as we know it. And as better plants can be found, they serve as better tools to raise man's welfare—raise his wages, in a sense.

Some plants or parts of plants are eaten directly by humans. Others are eaten by herbivorous animal life, such as cattle; then we eat the cattle.

Herbivorous animals are not very efficient in storing energy, either. Of the ten energy units in the form of plants, said above to be produced from 10,000 units of the sun's energy, only one unit of energy is grown and stored in the

[1]Estimate by the late Professor Raymond Lindeman of the University of Minnesota.

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animal; and not all of this is considered edible by humans. But we also consume animal products, such as milk and eggs, which add to the animal's efficiency somewhat.

So animals as well as plants serve us as tools, yielding a better life that is more to the human liking. And as more efficient animals can be found, that too raises wages, in a sense.

Some animals are carnivorous and live on other animals, of course. But they are few and mankind generally has domesticated none of them for use as food. They are too inefficient to compete with herbivorous animals, and so can hardly be classed among man's tools — except as a few are kept for pets to amuse us or for pulling an occasional dog-cart of very low energy efficiency.

Animal Power

In addition to being domesticated for purposes of food in a direct sense, animals also take the sun's energy that has been stored in plants and convert it into work, like tilling the soil, hauling loads, and the like. This process, in its time, was a great invention; for with the work of a horse, for instance, it became possible for a person to increase greatly his welfare — his wage.

According to Prentice, perhaps the greatest increase in work efficiency from draft horses came with the invention of a collar to replace the throat strap.[2] This increased greatly the load the horse could pull. And there were other notable inventions of early days, such as the wheel to replace the dragged load and the "fifth wheel" by which to change the direction of four-wheeled vehicles.

Though highly important at the time of their discovery as compared with prior efficiency of human production, all these developments are rather unimportant in explaining the level of our present welfare. As we shall see, the present level comes mainly from other developments.

So back over time man has discovered how to use the energy from the sun, first in plant form as food and then, through plants, in the form of animals for food and for toil. Another early form of releasing the plant-stored energy was the burning of wood and other plant materials for cooking food and heating abodes. And later it was found that these plant materials of bygone days lay stored in the form of coal, oil, and gas. Because of the highly concentrated energy in these deposits, new uses eventually were devel-

[2] E. Parmalee Prentice. *Hunger and History*. Caldwell, Idaho: The Caxton Printers, Ltd., 1951. p. 50.

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oped whereby the heat was used for more direct sources of power.

Motive Power

Most important among these new uses of deposited plant-energy were methods of converting, first, heat energy and then other forms of energy into motion with which to propel vehicles and to drive moving parts. The heat from this stored energy also came to be used to reform and blend chemical materials into forms useful as tools. Thus it became possible to invent things like the steam engine and internal combustion engine. And in a somewhat different and new way, energy supplies were harnessed by using the water wheel to generate electricity, and more recently by the development of atomic energy.

These marvelous developments have now become commonplace in our lives. These, rather than the earlier forms of energy use, account for the major part of the increase in our productivity, from which higher and higher wages have been paid. These are responsible for almost all of the great difference in economic welfare between a huntsman or a man with a hoe — or even a man working with a horse or a buffalo — as compared with the income of the average wage earner in the United States today.

Yet all this has been accomplished with tools far from perfect in energy efficiency. Their efficiency is far superior, however, to that of the sun's energy going through plants to feed a horse, and then being turned into horsefuel for plowing land on which to grow more plants for man to eat directly. By these newer means the quantity of harnessed energy that may become used to do man's work is all but limitless. It is limited only by his foresight and restraint from immediate consumption, so as to be able to store his productivity in the form of more and still more tools. Then these can be put to work using more and still more of the limitless supply of the sun's energy.

This has been a simple description of the energy sources for man's food and for his other wants over eons of time. It traces the development of the miracle of productivity in the United States and in other economically advanced countries. They are the result of ingenuity, savings, and the workpower of harnessed energy.

The Simple Idea of Tools

In essence, the formula is as simple as this: If a man can create a tool that makes it possible for him to produce in a day of work, say, twice as much of something as he could without the tool,

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he can have twice as much to enjoy. Or more accurately, he can have twice as much to enjoy *on a sustaining basis*, provided the machine makes it possible for him to produce double the output in enough less than a day's time so that he can also rebuild and replace whatever part of the machine was used up or worn out by the day's use.

If in addition to replacing the part of the machine he has worn out with the day's work he can also develop another tool that will further increase his output per hour, he can have even more to enjoy tomorrow. And so on, ad infinitum. If he is to accomplish this progressive improvement, he must restrain his current joys of consumption enough to make possible the development and accumulation of tools.

Output does not automatically increase, of course, merely because there have been some savings and their investment in new tools. If it were to take a day of work to make a tool which, by its use, would add only as much production as could have been produced in a day without the tool, then there would be no net gain in output. Tools are not productive per se. They are beneficial only if they add a *net* increase in output from human effort.

ENERGY OUTPUT, UNITED STATES

Horsepower-hours per man-hour of work

Year	Human labor	Work animals	Mineral fuels and water power	Total
1850	0.10	0.51	0.04	0.65
1860	0.10	0.56	0.04	0.70
1870	0.10	0.48	0.07	0.65
1880	0.10	0.48	0.12	0.70
1890	0.10	0.50	0.23	0.83
1900	0.10	0.49	0.36	0.95
1910	0.10	0.42	0.68	1.20
1920	0.10	0.36	1.29	1.75
1930	0.10	0.25	1.81	2.16
1940	0.10	0.18	2.48	2.76
1950	0.10	0.10	3.20	3.40

SOURCE: Calculations based on data in *America's Needs and Resources* by J. Frederic Dewhurst and Associates. New York: The Twentieth Century Fund. pp. 23 and 787. Also, Bureau of the Census, United States.

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Some misjudgments occur, of course, in efforts to develop tools in a free economy of private initiative. But errors there are at a minimum because the cost of the mistake can't be passed along to innocent bystanders as can be done in a controlled society.

So in a free society the growth in the development of energy-use measures, in a rough way, the harnessing of productive power. Horsepower-hours of energy output is one common measure.

In thinking of the effect of harnessed energy as an aid to men in their work, note that one horsepower is roughly equivalent to the energy of ten able-bodied men working strenuously — i.e., each man working an equivalent of lifting 55 pounds one foot a second, continuously. Or to illustrate its power another way, only one 75-watt light bulb in use represents as much energy as that of one man turning the crank on the generator.

The growth in energy output for the last century is shown in the accompanying table. A hundred years ago there was about half a horsepower of energy output for each hour of work, in addition to the energy of the worker himself. This — mostly by work animals — was equivalent to the help of five men. By 1950 the figure for horsepower-hours of additional help had risen to 3 1/3, or equivalent to the help of 33 men.

The use of nonliving sources of energy started to become important during the late nineteenth century, largely displacing work animals which now account for less energy than human labor itself. Nonlife sources now comprise the prime form of energy.

This help is not all clear gain in output, of course, because the efficiency is not 100 per cent. Some of the energy must go to produce and replace the tools themselves. But after taking account of all that, it is a vital reason why wages are now five times what they were a century ago.[3]

How much better it is to have these silent, nonsuffering servants in the form of energy-using machines working for us than to have 33 human slaves! They far surpass slaves in efficiency of output, and with minimum upkeep costs. They don't rebel or run away. They are as willing to work as not to work.

This remarkable harnessing of energy, along with the idea of wage payments among specialists under relative freedom of exchange, accounts in great measure for the rise in wages in the United States over the decades.

[3]See "Why Wages Rise: 1" in *The Freeman*, March 1956.

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Withdrawing from the Soil Bank

Marten Butler

THREE POLICIES are embodied in the farm programs now being discussed to aid agriculture. We must recognize that all of them involve some redistribution of income from city people to farmers.

The soil bank plans are forms of production control. By reducing use of land without reducing use of capital and labor, the soil bank plans tend to shift the amount of labor and capital used in relation to land. This shift would mean an increase in the share of income going to land and a reduction in the share going to capital and labor. This means that the operator-tenant will be up against more intensive competition when he attempts to rent a farm, and the rental terms will be steeper in favor of the landowner. This is already happening as a result of past and present government programs. This increase in land income is reflected in higher land values. We have seen nearly all the benefit of price supports incorporated into the price of land. If the soil bank bill now before Congress becomes law, I believe that land inflation will resume its course, and prices of $700 and $800 per acre will not be uncommon in LaSalle County. In other words, when you remove competition from the market place, you replace it with competition for the means of production. No one but present owners can benefit.

Another policy is Price Support above free market level. This policy is responsible for the present accumulation of surplus commodities.

Expansion of Consumer Demand is a third approach. The objective here is to improve the diets of low income people and expand demand generally. School lunch and food stamp plans are in this category.

It is difficult to assess results of the advertising campaigns for upgrading the American diet, but these efforts deserve all the imagination and support we can give.

THERE IS A FOURTH approach which I believe is receiving too little attention. This plan would assist people now farming to

Mr. Butler, except for two years in the Army, has operated a 275-acre "home farm" in the cornbelt since 1947. This article is based upon a discussion last February before the Rotary Club of Ottawa, Illinois.

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make the best choice for their individual circumstances between farm and nonfarm employment. As more people choose nonfarm employment, three results naturally occur:

1. Income opportunities improve for the families remaining in farming.

2. It would become easier to conserve and improve marginal land as the pressure of surplus farmers is removed from it.

3. It might also encourage the consolidation of some farms into more efficient family-size units.

About half of the boys and girls born on farms today will choose other employment and leave agriculture. This has been going on for many years and will continue. No one goes around wearing a long face because of it. I have attended many farmers' meetings since I returned from the Army three years ago. I have heard enough crying about low prices and the exodus of farmers to the city. Each time a farmer sells out at auction you might think we should hold something like a funeral service. I would regard the occasion more as a cause for celebration — not because another of my competitors has bitten the dust, but because it means that we are making rapid progress in solving man's oldest and toughest problem: the problem of food production. It means that agriculture has released another man to tackle more urgent problems that press us on every side.

I REALIZE full well that agriculture may not require my services much longer at the price I must ask for them. When that fact is made clear to me, I shall welcome the opportunity to move to an occupation where I may perform a more useful service for my neighbors. It is only by this process that our living standards improve. It disturbs me to find that some men believe that the world owes them a living in the occupation they prefer and in the style to which they would like to become accustomed. I do not believe that many Americans will sell out their heritage of opportunity for the elusive security of a miserable work ration assured by law.

I believe that agriculture and the free-market system can continue to contribute to our rising standard of living as they have during the past 50 years. However, with a faster-changing economy, we will never realize the full potential of our American system until our productive citizens are enabled to shift more freely to meet its demands.

The correct solution for agriculture's problems will be equally applicable to any other industry.

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Despotism in Democratic Nations

Alexis De Tocqueville

In his foreword to the 1956 paperbacked edition of *The Road to Serfdom* (University of Chicago Press) Friedrich A. Hayek quotes briefly from *Democracy in America*, Part II, Book IV, Chapter VI, and suggests that the chapter be read "in order to realize with what acute insight De Tocqueville was able to foresee [in 1835] the psychological effects of the modern welfare state."

The portion of the chapter here reproduced is from the Henry Reeve translation published by Saunders and Otley, London, in 1840.

I HAD remarked during my stay in the United States, that a democratic state of society, similar to that of the Americans, might offer singular facilities for the establishment of despotism; and I perceived, upon my return to Europe, how much use had already been made by most of our rulers, of the notions, the sentiments, and the wants engendered by this same social condition, for the purpose of extending the circle of their power. This led me to think that the nations of Christendom would perhaps eventually undergo some sort of oppression like that which hung over several of the nations of the ancient world.

A more accurate examination of the subject, and five years of further meditations, have not diminished my apprehensions, but they have changed the object of them.

No sovereign ever lived in former ages so absolute or so powerful as to undertake to administer by his own agency, and without the assistance of intermediate powers, all the parts of a great empire: none ever attempted to subject all his subjects indiscriminately to strict uniformity of regulation, and personally to tutor and direct every member of the community. The notion of such an undertaking never occurred to the human mind; and if any man had conceived it, the want of information, the imperfection of the administrative system, and above all, the natural obstacles caused by the inequality of conditions, would speedily have checked the execution of so vast a design.

When the Roman emperors were at the height of their power, the different nations of the empire still preserved manners and customs of great diversity; although

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they were subject to the same monarch, most of the provinces were separately administered; they abounded in powerful and active municipalities; and although the whole government of the empire was centred in the hands of the emperor alone, and he always remained, upon occasions, the supreme arbiter in all matters, yet the details of social life and private occupations lay for the most part beyond his control. The emperors possessed, it is true, an immense and unchecked power, which allowed them to gratify all their whimsical tastes, and to employ for that purpose the whole strength of the State. They frequently abused that power arbitrarily to deprive their subjects of property or of life: their tyranny was extremely onerous to the few, but it did not reach the greater number; it was fixed to some few main objects, and neglected the rest; it was violent, but its range was limited.

BUT IT WOULD seem that if despotism were to be established amongst the democratic nations of our days, it might assume a different character; it would be more extensive and more mild; it would degrade men without tormenting them. I do not question, that in an age of instruction and equality like our own, sovereigns might more easily succeed in collecting all political power into their own hands, and might interfere more habitually and decidedly within the circle of private interests, than any sovereign of antiquity could ever do. But this same principle of equality which facilitates despotism, tempers its rigour. We have seen how the manners of society become more humane and gentle in proportion as men become more equal and alike. When no member of the community has much power or much wealth, tyranny is, as it were, without opportunities and a field of action. As all fortunes are scanty, the passions of men are naturally circumscribed, — their imagination limited, their pleasures simple. This universal moderation moderates the sovereign himself, and checks within certain limits the inordinate stretch of his desires.

Independently of these reasons drawn from the nature of the state of society itself, I might add many others arising from causes beyond my subject; but I shall keep within the limits I have laid down to myself.

Democratic governments may become violent and even cruel at certain periods of extreme effervescence or of great danger; but these crises will be rare and brief. When I consider the petty passions of our contemporaries, the

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mildness of their manners, the extent of their education, the purity of their religion, the gentleness of their morality, their regular and industrious habits, and the restraint which they almost all observe in their vices no less than in their virtues, I have no fear that they will meet with tyrants in their rulers, but rather guardians.

I THINK THEN that the species of oppression by which democratic nations are menaced is unlike anything which ever before existed in the world: our contemporaries will find no prototype of it in their memories. I am trying myself to choose an expression which will accurately convey the whole of the idea I have formed of it, but in vain; the old words despotism and tyranny are inappropriate: the thing itself is new; and since I cannot name it, I must attempt to define it.

I seek to trace the novel features under which despotism may appear in the world. The first thing that strikes the observation is an innumerable multitude of men all equal and alike, incessantly endeavouring to procure the petty and paltry pleasures with which they glut their lives. Each of them, living apart, is as a stranger to the fate of all the rest, — his children and his private friends constitute to him the whole of mankind; as for the rest of his fellow-citizens, he is close to them, but he sees them not; — he touches them, but he feels them not; he exists but in himself and for himself alone; and if his kindred still remain to him, he may be said at any rate to have lost his country.

Above this race of men stands an immense and tutelary power, which takes upon itself alone to secure their gratifications, and to watch over their fate. That power is absolute, minute, regular, provident, and mild. It would be like the authority of a parent, if, like that authority, its object was to prepare men for manhood; but it seeks on the contrary to keep them in perpetual childhood: it is well content that the people should rejoice, provided they think of nothing but rejoicing. For their happiness such a government willingly labours, but it chooses to be the sole agent and the only arbiter of that happiness: it provides for their security, foresees and supplies their necessities, facilitates their pleasures, manages their principal concerns, directs their industry, regulates the descent of property, and subdivides their inheritances — what remains, but to spare them all the care of thinking and all the trouble of living?

Thus it every day renders the

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exercise of the free agency of man less useful and less frequent; it circumscribes the will within a narrower range, and gradually robs a man of all the uses of himself. The principle of equality has prepared men for these things: it has predisposed men to endure them, and oftentimes to look on them as benefits.

After having thus successively taken each member of the community in its powerful grasp, and fashioned them at will, the supreme power then extends its arm over the whole community. It covers the surface of society with a net-work of small complicated rules, *minute and uniform*, through which the most original minds and the most energetic characters cannot penetrate, to rise above the crowd. The will of man is not shattered, but softened, bent, and guided: men are seldom forced by it to act, but they are constantly restrained from acting: such a power does not destroy, but it prevents existence; it does not tyrannize, but it compresses, enervates, extinguishes, and stupifies a people, till each nation is reduced to be nothing better than a flock of timid and industrious animals, of which the government is the shepherd.

I HAVE ALWAYS THOUGHT that servitude of the regular, quiet, and gentle kind which I have just described, might be combined more easily than is commonly believed with some of the outward forms of freedom; and that it might even establish itself under the wing of the sovereignty of the people.

Our contemporaries are constantly excited by two conflicting passions; they want to be led, and they wish to remain free: as they cannot destroy either one or the other of these contrary propensities, they strive to satisfy them both at once. They devise a sole, tutelary, and all-powerful form of government, but elected by the people. They combine the principle of centralization and that of popular sovereignty; this gives them a respite: they console themselves for being in tutelage by the reflection that they have chosen their own guardians. Every man allows himself to be put in leading-strings, because he sees that it is not a person or a class of persons, but the people at large that holds the end of his chain.

By this system the people shake off their state of dependence just long enough to select their master, and then relapse into it again. A great many persons at the present day are quite contented with this sort of compromise between administrative despotism and the sovereignty of the people; and they

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think they have done enough for the protection of individual freedom when they have surrendered it to the power of the nation at large. This does not satisfy me: the nature of him I am to obey signifies less to me than the fact of extorted obedience.

I do not however deny that a constitution of this kind appears to me to be infinitely preferable to one, which, after having concentrated all the powers of government, should vest them in the hands of an irresponsible person or body of persons. Of all the forms which democratic despotism could assume, the latter would assuredly be the worst.

WHEN THE SOVEREIGN is elective, or narrowly watched by a legislature which is really elective and independent, the oppression which he exercises over individuals is sometimes greater, but it is always less degrading; because every man, when he is oppressed and disarmed, may still imagine, that whilst he yields obedience it is to himself he yields it, and that it is to one of his own inclinations that all the rest give way. In like manner I can understand that when the sovereign represents the nation, and is dependent upon the people, the rights and the power of which every citizen is deprived, not only serve the head of the state, but the state itself; and that private persons derive some return from the sacrifice of their independence which they have made to the public. To create a representation of the people in a very centralized country is, therefore, to diminish the evil which extreme centralization may produce, but not to get rid of it.

I admit that by this means room is left for the intervention of individuals in the more important affairs; but it is not the less suppressed in the smaller and more private ones. It must not be forgotten that it is especially dangerous to enslave men in the minor details of life. For my own part, I should be inclined to think freedom less necessary in great things than in little ones, if it were possible to be secure of the one without possessing the other.

Subjection in minor affairs breaks out every day, and is felt by the whole community indiscriminately. It does not drive men to resistance, but it crosses them at every turn, till they are led to surrender the exercise of their will. Thus their spirit is gradually broken and their character enervated; whereas that obedience, which is exacted on a few important but rare occasions, only exhibits servitude at certain intervals, and throws the burden of it upon a small number of men. It is

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vain to summon a people, which has been rendered so dependent on the central power, to choose from time to time the representatives of that power; this rare and brief exercise of their free choice, however important it may be, will not prevent them from gradually losing the faculties of thinking, feeling, and acting for themselves, and thus gradually falling below the level of humanity.

I add that they will soon become incapable of exercising the great and only privilege which remains to them. The democratic nations which have introduced freedom into their political constitution, at the very time when they were augmenting the despotism of their administrative constitution, have been led into strange paradoxes. To manage these minor affairs in which good sense is all that is wanted, — the people are held to be unequal to the task; but when the government of the country is at stake, the people are invested with immense powers; they are alternately made the playthings of their ruler, and his masters — more than kings, and less than men. . . .

A Mentor Book paperbacked edition of *Democracy in America*, edited and abridged by Richard D. Hefner, is available from The New American Library of World Literature, Inc., 501 Madison Avenue, New York 22, N. Y. 50¢.

Also available is the unabridged Vintage Book paperbacked edition, published by Alfred A. Knopf, Inc., 501 Madison Avenue, New York 22, N. Y. Two volumes. 95¢ each.

Now and Hereafter

WHEN IT IS TIME TO VOTE, apparently the voter is not to be asked for any guarantee of his wisdom. His will and capacity to choose wisely are taken for granted. Can the people be mistaken?

But when the legislator is finally elected — ah! then indeed does the tone of his speech undergo a radical change. The people are returned to passiveness, inertness, and unconsciousness; the legislator enters into omnipotence. Now it is for him to initiate, to direct, to propel, and to organize. Mankind has only to submit; the hour of despotism has struck. We now observe this fatal idea: The people who, during the election, were so wise, so moral, and so perfect, now have no tendencies whatever; or if they have any, they are tendencies that lead downward into degradation.

FREDERIC BASTIAT, *The Law*, 1850
1950 translation available from the Foundation for Economic Education, Irvington-on-Hudson, New York. 75 pp. 65¢.

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The Liberal in the Modern World

Towner Phelan

PERHAPS the most fundamental difference between traditional liberals and twentieth century liberals is their attitude toward man. The traditional liberal thinks in terms of man as an individual. The twentieth century liberal thinks of man as a member of a group. The traditional liberal agrees with John Stuart Mill that "the sole end for which mankind are warranted, individually or collectively, to interfere with the liberty of action of any of their members is self protection."

The twentieth century liberal thinks that society should interfere with the liberty of the individual whenever it serves the interests of the groups to which the individuals belong. Thus the closed shop and the union shop deny employment to the individual who is not a union member or who refuses to join a union. This infringement upon the liberty of the individual workman is justified upon the grounds that it makes the union strong — that it benefits the group to which the individual workman belongs or which he should be forced to join. The same reasoning is used to justify infringements upon the liberty of individual farmers. For example, in 1955 Joseph Blattner, a poultry raiser of Norristown, Pennsylvania, was fined because he raised more wheat than the government decreed. Blattner raises his own wheat to feed his six thousand chickens and raises no wheat to sell. His freedom to raise wheat on his own land to feed his own chickens was denied on the theory that crop controls are good for farmers generally.

The twentieth century liberal is always eager to limit the liberty of the individual for the real or fancied benefit of the groups to which he belongs. The emphasis upon the importance of the group is strikingly illustrated in the trend of modern education. Our twentieth century liberal educators take the view that the subject matter taught in our schools is of minor importance — that the real

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Mr. Phelan is Vice-president of the St. Louis Union Trust Company. This article is from a 13-page essay, multilithed copies of which are available from FEE, Irvington-on-Hudson, N. Y. Single copy on request; additional copies 13 cents each.

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purpose of education is to teach children to cooperate. In other words, the purpose of education is not learning, but is to teach children to become cooperative members of groups. The traditional liberal thinks in terms of man as an individual. The twentieth century liberal thinks of man as a member of a group.

THE NEW LIBERALS faced a dilemma. How could they justify the infringements upon individual liberty which they advocated and still call themselves liberals? How could they still call themselves liberals if liberalism was identified with individual freedom? The answer was to redefine freedom and make it mean its opposite. They found the answer they sought in the philosophy of Hegel and Marx. Hegel taught that when man follows his own base desires, he is not free. He taught that man is subordinate to a higher force or purpose, and that he becomes free only as he serves this higher purpose and makes his desires conform to it. Hegel conceived this higher purpose as the State and taught that man is only free as he serves the State. Karl Marx based his philosophy very largely on that of Hegel. Marxian communism teaches that man is enslaved by capitalism and that man will become free only when private capitalism is abolished. It teaches that the "legal liberty" of Western democracies is merely "formal liberty" without substance.

When Hegel's view that man is only free when he serves the State was applied to Hitler's Germany, twentieth century liberals indignantly rejected Hegel's definition of freedom. But, they implicitly accept his definition when it is applied to the benevolent Welfare State. Furthermore, they accept without reservation the Marxian theory that "liberty under the law" is a hoax and a deception, that it is merely "formal liberty," and that it lacks real substance. For example, the late Professor John Dewey of Columbia University, who was the leading philosopher of twentieth century liberalism, adopted the Marxian definition of liberty. He said:

> The majority who call themselves liberals today are committed to the principle that organized society must use its powers to establish the conditions under which the mass of individuals can possess *actual* as distinct from merely *legal* liberty.

The key words of Dewey's statement are "organized society must use its powers." If it must use its powers, it must use them in the only way the State can act — through compulsion. The State makes laws and enforces them.

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The penalties for disobedience are fines, imprisonment, and death. The soldier's bayonet, the policeman's club, the jailer's keys, the hangman's noose — these are the methods by which organized society uses its powers.

Dewey promulgates a charter for broad-scale government control of social and economic life backed by the full coercive powers of the State. That is diametrically opposed to the traditional liberalism of John Locke and John Stuart Mill.

In broad historic perspective, twentieth century liberalism is merely a part of what may properly be termed the Counter Revolution against liberalism. The Liberal Revolution covered about 300 years and represented the revolt of man against authority. The Counter Revolution of Reaction is a world-attempt to turn the clock back. Its purpose is to subordinate man to the State, to reassert authority, and to suppress liberty. Communism, fascism, British socialism, and our own social Welfare State are but different aspects of this Counter Revolution.

THE PRINCIPLE of authority is as basic to the Welfare State as it is to the totalitarian regime of Soviet Russia and as it was to Hitler's Germany. That is why the great threat to our liberties comes not from the communists, but from the liberals. The communists are few and have little influence — the Welfare State liberals are many and dominate our society.

Nearly any "liberal" politician in the United States could run on this platform:

". . . the development of rural electrification"; "financial and other support for agricultural cooperation and for all forms of collective production in the rural districts (cooperative societies, communes, etc.)"; "every encouragement to be given to consumers' cooperatives"; "the centralization of banking; all nationalized big banks to be subordinated to the central State bank"; "reduction of the working day to seven hours"; "social insurance in all forms (sickness, old age, accident, unemployment, etc.) at State expense"; "comprehensive measures of hygiene; the organization of free medical service"; "the establishment of state organs on the management of industry with provision for the close participation of the trade unions in this work of management."

The above quotation is not taken from either the Democratic or Republican platform. It was not published as the program of Americans for Democratic Action. It is taken from the Program of the Communist International adopted by the Sixth World Congress, September 1, 1928, at Moscow.

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The Price of Free Medicine

Colm Brogan

Britain's experiment in socialized medicine should be of interest to those who wonder if the United States ought to try it.

LAST YEAR the British National Health Service paid one million pounds ($2,800,000) for bottles and other containers to be used for drugs and medicine. In contrast, the grant for research in mental health was a mere 27 thousand pounds ($75,600).

These figures illustrate the most damaging though least heeded effect of socialized medicine. Floods of money feed the insatiable appetite for pills, while fundamental medical research is largely neglected. Intelligent doctors are fully aware of this threat to the whole future of British medicine, but the British people generally do not sense the danger. Socialized medicine allows popular demand to dictate the use of available resources through political pressure, the consequence being this gross distortion of the strategy and tactics of medical development.

Not even Mr. Bevan himself denies that the British people are heavily overindulging in nostrums of dubious value. Faith in these nostrums is scarcely more intelligent than faith in magic, but vast sums are poured out of the public purse for cures of largely imaginary value for diseases which are also largely imaginary.

At the same time, nearly half the hospital beds in Britain are occupied by mental patients, and many would-be voluntary patients must be refused admission. Conditions in some of these mental hospitals are deplorable. They are badly understaffed and shockingly overcrowded. Yet not one new mental hospital has been opened in Britain since the start of the Health Service, nearly eight years ago. In fact, no hospital of any kind has been built and opened.

At a time when both medical advance and the challenge to medicine are undergoing great and dramatic changes, British practice is being fossilized in attitudes as out-of-date as the hansom cab and the wooden stethoscope.

That, of course, was not the original purpose of those who

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framed the Health Act. They offered it as an "experiment noble in purpose"; and the British people were promised everything, regardless of expense. Not only would their home treatments be provided free of direct charge, but the hospitals would for the first time have ample funds for treatment and research. It was said to be a disgrace to a progressive country that the great voluntary hospitals, some of them of world-wide fame, should be dependent on uncertain charity and sorely handicapped in their beneficent work. There would no longer be any need for humiliating appeals, nor restrictions on staffing, building, or research; and in addition, health centers would be established everywhere to bring all the general practitioners of an area together in happy comradeship, with all the most expensive resources of modern medicine at their immediate command.

THAT WAS THE FINE dream, but the reality proved to be far different. The administrators soon found themselves faced with two inescapable facts. The available supply of trained doctors, nurses, medical scientists, and members of the semiprofessional ancillaries like physiotherapists and orthopedists was not enough to meet all the needs of the grandiose plan. The financing of the plan was even more strictly limited. Enthusiasts for nationalized medicine found themselves in competition with the enthusiasts for extended education, state subsidized housing, higher state pensions and benefits, and a dozen other schemes with a strong emotional and vote-catching appeal. There was competition not only for funds, but also for materials and for future staff. While hospital wards were shut for lack of nurses, the potential nurses of the future were tempted into teaching to meet the demands of the risen birth rate and the extra compulsory year at school ordained by the socialist government. Building materials and labor that might have been used for temporary hospital and clinic accommodations were used for temporary classrooms.

If no checks had been put on Health Service expenditure, it would have assumed fantastic proportions. But when expenses soon came to more than double the original estimate, it was found necessary even for a socialist government to impose a ceiling and eventually call a halt.

A part of the corrective action attracted much attention and stirred a good deal of resentment. The patient looking for spectacles or for dental treatment had to pay a proportion of the cost, and

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for some the proportion was substantial. In addition, all patients were required to pay a shilling for each prescription filled. The prescription charge failed in its purpose, however. Most of the patients resented having to pay and tried to get as much as possible on one prescription, which doubtless encouraged waste. In any event, the Labor Party, which originally imposed the charges, promises to abolish them when they get back to office — a measure of the depths to which demagogy can sink.

But the other thing that was done attracted little notice outside of the medical profession. Dentists were paid by piecework, and the original rates for the various jobs were lavishly set to coax dentists into the scheme. For some time, dentists were in financial clover. But the rates have been slashed three times, reducing dentists to a very modest standard and putting some in grim financial difficulty as they must pay surtax on the high earnings of a previous year out of a current income drastically reduced by arbitrary decree. This situation has brought a catastrophically reduced enrollment in dental colleges, thus ending most dreams of a dental service that would concentrate on scientific conservation instead of hasty pulling and patching.

The doctors fared better than the dentists. Their resistance to the scheme had been so strong that they were offered an income equal in purchasing power to the average medical income of 1938. When R. A. Butler became Tory Chancellor of the Exchequer, he was faced with an arbitration award which gave general practitioners not only an increased annual payment for each patient but also a lump sum of fifty million pounds to make up for past underpayment. Nurses and lay hospital workers were in no mood for cuts in salaries and wages. Inflation steadily increased the bill for all hospital supplies and also for the drugs and pills doled out so lavishly through the doctors' offices.

THUS, the National Health Service budget was strained to the breaking point. And the cuts fell on the unprotected sector of health expenditure, though this was the sector which alone could keep Britain abreast of the civilized world in medical advance. The grandiose schemes of expansion were almost all dropped, and the great teaching and research hospitals suddenly found themselves more pinched than they had ever been before. One hospital, which had almost completed an ambitious and modern laboratory, had to turn the key in the lock for a

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considerable time because they lacked funds for the microscopes needed if the laboratory were to serve its purpose.

This is only one example of a deleterious process. Public demand and demagogic compliance have diverted available funds away from the fruitful and imperative lines of medical advance in order to supply that kind of medicine which satisfies the credulous patient. The mass of the public were well enough pleased. Hypochondriacs and people with nothing much to do could still crowd a harassed doctor's office at no immediate cost to themselves and call for a pill or a bottle which they might have seen advertised. Many doctors have told me that since the enactment of the Health Act a growing number of patients come to the office and say they want this drug or that, not waiting for the doctor's examination and verdict, but making their own selection as they might choose sweets in a confectioner's shop.

There is the case of a woman whose baby was suffering diaper rash. She got a doctor's prescription for no fewer than ten bottles of an expensive new medicament. The rash finally was cured when the woman was told to keep her baby dry and to apply a simple ointment. The ointment which did the trick cost fourpence (about 5 cents); the ten bottles which did no good cost thirty pounds ($84). This is one example of waste, but it could be multiplied indefinitely.

The Ministry of Health has tried to deter doctors from easily prescribing expensive proprietary drugs when much cheaper equivalents are available, but the doctors resent any dictation and the patients are even more resentful.

For a long time it has been the ambition of conscientious practitioners to wean their patients away from this pathetic faith in bottles and pills; but the Health Service has undone all such effort, and fundamental medical research is the chief sufferer.

The brilliant triumphs of modern medicine have nearly all been won in the laboratory, not at the patient's bedside or in the doctor's office. The weight of medical investment should be in that direction, but in Britain it is being swung in what is strictly the reactionary and obsolete way.

As FOR MENTAL illness which is the greatest and most disturbing challenge to Western civilization, the treatment and the cure of this menace is only in its infancy. Patient research and investigation covering the whole of social life are necessary, and equally necessary is a huge expenditure to provide the material means of effec-

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tive treatment here and now. But there are British mental hospitals where the patients' beds are so crowded that it is impossible even to put a locker between them. It is impossible to get anything like enough native-trained nurses, men and women, for any kind of hospital; but at the same time, many experienced and highly qualified nurses are employed in "welfare" work where their skill and knowledge are thrown away.

I have no space to deal with the wastefully expensive tests and treatments to safeguard the doctors against legal action by litigious patients, whose court action is likely to be paid for by the same State that pays for the hospitals.

I believe that the contemporary and scientific conception of medicine cannot flourish fully and firmly where medicine has been socialized. The great medical advance will continue, but there is nothing in prevailing British conditions to encourage the hope that British medicine will play in the future as remarkable and as leading a part in that advance as it has played in the past. This pessimism is not purely personal. It is shared by nearly every doctor I know who is alive to what is going on in international medicine, while stagnation of method is forced upon himself.

Folly and Presumption

THE STATESMAN, who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted, not only to no single person, but to no council or senate whatever, and which nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.

ADAM SMITH, *The Wealth of Nations*

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Two Evils of Consequence

THERE ARE LAWS on the statute books which in some cases make it illegal for a merchant, having purchased his goods, to sell those goods at prices of his own choice. The law says he may sell only at prices fixed by others, and all who buy from him are aiding and abetting a lawbreaker.

Yet if you live in a town of any size at all, you need only look about to find many instances where the law is evaded. Merchants sell at illegal discounts and American citizens flock to the bargain counters.

There are also laws on the statute books which in some cases make it illegal for a farmer, owning or leasing his own land, to grow on it the crops of his own choice. In some cases the law says he can plant only so much wheat, let us say, as government decides; in others, that he is subject to prosecution and fines if he plants any wheat at all.

Yet the United States government is finding that all across the country there are farmers who are proceeding to grow what they choose on their own land and to defy the fines.

Now it is easy to wax indignant about lawbreaking; to assail the character and social conscience of those who disdain the law. For there is no gainsaying the fact that society rests upon the sanctity of the law, and that when ordinary citizens come to disdain it we all suffer an evil of consequence.

But we are not dealing here with the occasional and exceptional lawbreaking of the criminal who lives outside of society's moral code. We are dealing here with the ordinary, law-abiding citizen of the community who creates society's moral code. And that must give us pause as to where the evil lies.

In both of these cases — the so-called fair trade laws and the agricultural control law — we have passed statutes which, however legally enacted, do not comport with the ordinary citizen's sense of morality. Indeed, we have here laws which run counter to the sense of morality.

When the housewife goes down to buy her toaster at the discount house, neither she nor her neighbor thinks that morality is outraged. On the contrary, it disturbs her moral sense for the law to demand that she pay more than the market place requires. And for all

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the legal briefs that may be filed in all the courts of the land, the ordinary citizen is not going to think that a merchant who of his own choice sells cheap has committed an offense against society.

You cannot make people believe, either, that the farmer who grows wheat to feed his herds has done an immoral thing, whatever says the law. In all truth, not even the police officers are convinced of it. The government authorities, from Secretary Benson to the local federal agents, approach the prosecution of offenders timidly, as if they themselves feared that the defiers of the law did so with some justice.

The defiance of the fair trade laws has already been enough to cause one of the larger appliance manufacturers to find them unworkable; this week Westinghouse announced that it would abandon them. And the defiance of the farm laws has already created what Secretary Benson calls an "intolerable" situation and he predicts that violations will grow.

It is an evil thing for good and honest citizens to lose respect for the law. Yet it is an evil thing, too, for people to suspend their own moral sense. And what is not long tolerable is for the law itself to create a cruel conflict between the two.

Editorial in *Wall Street Journal*, Sept. 2, 1955

THANKS TO THE FREE TRADE TRADITION, there are still many manufacturers and merchants who regard Protection with contempt; but the longer Protection lasts, the fewer they may become. This is partly because tariffs and quotas build up minor uneconomic industries which could not exist without them; and partly because Protection removes the incentive to efficiency and self-reliance, and makes those who formerly walked alone fear they can no longer proceed without crutches.

Already there are many farmers who, though fully conscious of the restrictions and losses caused by the Marketing Boards, fear to ask for abolition of the Boards, "unless something else is put in their place." Personal liberty is losing its meaning to these men, and if that tendency continues they will become ready to accept an ever-increasing degree of bureaucratic control; and so resistance to dictatorship becomes undermined.

C. J. L. BROCK, *The Moral Case for Free Trade*, 1936

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WELL WORTH READING

Federalized Education? There is a large and vocal group calling for federal aid to education. It may reasonably be presumed that the arguments advanced by this group as to why the local school should have a pipeline into the national treasury are the best arguments that could be devised while remaining within calling distance of the facts. These arguments are assembled and answered by Roger A. Freeman in a 53-page pamphlet entitled *Federal Aid to Education — Boon or Bane?*

We are told that there is a teacher shortage. Mr. Freeman demonstrates that the ratio between teachers and pupils has remained stable for the past fifty years. We are told that teachers are leaving for more lucrative and elevating employment, such as driving a truck. Mr. Freeman quotes from the figures of the National Education Association—spearhead of the drive for federal aid — which show that in 1954-55 one per cent of the teachers left for other employment. Are teachers' colleges empty? Mr. Freeman points out that degrees in education increased 14 per cent between 1950 and 1954 while degrees in all other fields decreased by 34 per cent.

This pamphlet is one of a number of significant studies in a variety of fields by competent authors, released by the American Enterprise Association, 1012 14th Street, N.W., Washington 5, D.C. Mr. Freeman's pamphlet may be obtained by sending a dollar to the Association.

* * *

Voice from India: A Bombay philosopher, M. V. Balakrishna Rao, sends us his review of a FEE pamphlet, *Students of Liberty.* Excerpts follow. "The problem is how to preserve independence in a highly specialized society in which interdependence plays a major role. The fact of interdependence is widely recognized. How to deal with it skillfully is where divergence of opinion in social affairs originates. Recommendations for skillful management of society are analyzed into two diametrically opposed principles of reform — the principle of violence and the principle of love. The principle of love, as stated by Mr. Read, refers to the application of the kindly virtues in human relations such as tolerance, charity, good sportsmanship, the right of another to his views, integrity, the practice of not inconveniencing others, and other

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modes of conduct which result in mutual trust, voluntary cooperation, and justice. The concluding paragraphs mentioning the qualifications of the Student of Liberty and the Teacher of Liberty remind the student of Indian culture of the Gurukula approach to truth."

For a copy of *Students of Liberty* by Leonard E. Read, write to the Foundation for Economic Education, Inc., Irvington-on-Hudson, N. Y.

* * *

You're the Boss: A few months ago the president of an eastern railroad found himself out of a job. His commuters fired him; they didn't like the way he ran their trains. The customer is always boss, and an utterly ruthless boss he is. Moved by mere whim he takes his trade away from one person and gives it to another. No concern of this boss if the first person starves; "Starve away!" he tells him. The consumer is sovereign in his own realm, but for some odd reason he attaches little significance to the sovereignty which he can exercise day in and day out. Of political sovereignty he has little for 364 days, but let him cast a ballot once a year expressing the most limited kind of choice and he feels himself a king.

Fred Clark and Dick Rimanoczy are geniuses when it comes to clarifying the basic facts of economics. Send a nickel to The American Economic Foundation, 295 Madison Avenue, New York 7, for their latest tract entitled "So We Got the Guy Fired."

Along the Paperback Front: Western civilization is facing a challenge as critical as any in its history. Popular grasp of the central ideas of our culture has weakened; faith in our values has ebbed. This is the heart of the crisis, this leaching away of major portions of our spiritual heritage leaving a devitalized remainder. Communism seeps into the vacuum thus created, expanding more as a response to diminishing external pressure on its creed than by any inner vitality of its own. The only effective resistance on this level of communist expansion is a reinvigoration of the ideals and values of the West; and for this purpose books are effective weapons.

W. G. DeBurgh's *The Legacy of the Ancient World* is now available in a two-volume Pelican edition. DeBurgh was a well-known British philosopher, so his survey of western civilization is much more than a mere record of events; it is primarily the story of the living ideas which Europe took from the ancient world and the gradual embodiment of those ideas in custom, institution, and law. The triple legacy of faith, freedom, and law, which came to us severally from Israel, Greece, and Rome, were blended as Christendom. This is a wise and beautifully written book.

A useful companion book to the above is Benedetto Croce's *History as the Story of Liberty* just issued by Meridian. This publisher puts out the best specimen of bookmaking of all the paperbacks I have seen. Pages are sewn in, and even the larger volumes are fairly durable and easy to handle.

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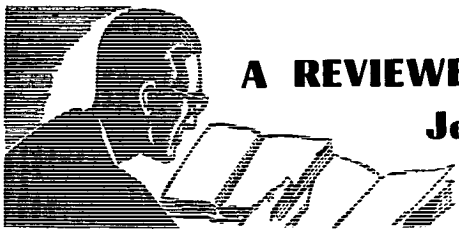

A REVIEWER'S NOTEBOOK

John Chamberlain

I HAVE just been reading a number of college textbooks on economics. They contain the standard chapters on monopoly, oligopoly, "monopolistic competition," "imperfect competition," "workable competition," and "administered" prices. And they flash the usual warning signals: let the customer beware of price gouging, of submitting docilely to "all the traffic will bear."

This sort of text writing has been going on ever since E. H. Chamberlin came up with his famous *Theory of Monopolistic Competition,* which discovered a decade or so back that competition among Big Twos, Big Threes, and Big Fives differs a bit from the competition that exists between producers of strawberries or cotton shirts. Though John Stuart Mill made the same discovery a century ago, no doubt the Chamberlin book has its quite solid merits. It should be understood that one cannot price a Cadillac as one prices broccoli or asparagus, with a change on the marketing tag every day in the week. Moreover, it may be good for the college student to be placed on guard against the possible theoretical dangers of economic Bigness as he leaves the portals of Harvard or Old Siwash.

As a person who has been paying bills for a generation, however, I often wonder about these prices that are supposedly "administered" by "oligopolies." Have they been so huge, after all? And if they have been "administered" (whatever that phrase actually means), haven't they been administered in a consistently downward direction? Haven't the corporations generally followed a policy of charging much less than the traffic will bear? All to the end, of course, of increasing the traffic?

Herrymon Maurer, a *Fortune Magazine* writer who spent a good part of his youth in China, where prices were high and "oligopolies" few and far between, has asked himself just what connection there is between economic Bigness and the phenomenon of lower prices. His answer, contained in an excellent book called *Great Enterprise*:

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Growth and Behavior of the Big Corporation (Macmillan, $5.00), is that, like corned beef and cabbage, they go together. This is not the only important message in his book, which deals with the big corporation as a social as well as an economic unit, but it is the message that should be of special import to those economists who worry unduly about the subject of monopoly, duopoly, oligopoly, and so on.

To the lay public, which discovers things empirically by watching its bank accounts, it will not be news that Bigness is a condition of cheapness in the market place. Anyone who has given a thought to the pricing of mass produced objects, whether they happen to be Chevrolets, or washing machines, or even steaks from the packers' "disassembly" lines, knows that Bigness has put dollars in the average citizen's pocket. Far from charging all the traffic will bear, the Big Corporation, using its economic power and technological knowledge to allocate declining unit costs over longer and longer lines of automatically produced goods, is what has brought cheapness to America.

But if "everyone" really knows this, the academic economists often write as if the facts were quite otherwise. This being so, it is good to have the truth brought home by an Old China Hand who has some intellectual kinship with the child of fable who first called attention to the emperor's nudity.

What Mr. Maurer has done is to buttress common sense with a statistical investigation that proves his contention beyond the shadow of a doubt. His test borings into the price behavior of different types of business establish some interesting patterns. It turns out that the greatest price increases during the post-World War II inflation occurred in such things as building materials, textiles, and farm products, none of which happens to be a field that is dominated by a Big Five or a Big Three. The so-called "monopoly" sectors of the economy, however, remained bearish during the postwar period about their own prices. "General Electric, Ford, International Harvester, and Jersey Standard," says Mr. Maurer, "made deliberate and announced anti-inflation efforts . . . Many other companies, such as U. S. Steel and Alcoa, in effect held the line, although they did not announce the combating of inflation as their primary purpose."

The pattern of action which shows the Big Fellows trying to keep prices down has its origin in the uniquely American economic theory first promulgated by Francis Walker as far back as the post-Civil War period. Before Walker

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began theorizing at the Yale Sheffield Scientific School, economists tended to think of supply and demand as a static confrontation of seller and buyer who met within the confines of a single room such as a wheat pit or a stock exchange. As Mr. Maurer points out, the price of a commodity was set between buyer and seller on a basis of how much was available and how much was wanted. Production was low; price tended to be high.

WHEN ECONOMIC UNITS grew large, powerful, and technologically resourceful, however, all this changed. A well-heeled modern company can and does use its engineering resources to increase the number of units produced for a given amount of money. By knocking pennies out of the unit cost, lower prices can be charged even after allowance has been made for new research and constantly improving machines. Lower prices naturally stimulate consumption, the volume of profits increases, and the reinvestment of profits leads to further economies. The pattern is almost endlessly dynamic. Cheapness feeds on itself, leading to more cheapness. Meanwhile, high wages become more and more practicable, and the purchasing power of society grows.

With unit costs declining, a company with a monopoly position could theoretically settle for a quick killing. But no company with a large number of stockholders and a managerial group interested in lifetime careers can afford to conduct its business on the principle of charging all the traffic will bear. Continuity requires good continuing customer relationships. Big companies presumably try to maximize their profits over the long pull. But they do this by refraining from milking the customer in the immediate present. A "gouged" customer is never a good prospect one year, two years, or ten years hence.

Mr. Maurer nails down his dynamic production-price theories by naming specific examples of corporate behavior. He finds an interesting series of price declines in terms of both the varying dollar and the constant dollar. In terms of the 1913 dollar, rubber tires sold in 1937 at about 13 per cent of the 1913 price. Gasoline sold at 19 per cent, automobiles, trucks, and tractors at about 30 per cent, small horsepower engines at 44 per cent. Cellophane now sells at 58 cents a pound compared with $2.65 in 1924. In 1946 Westinghouse sold 10-inch television models for $375.00; in 1953 its 21-inch screen model sold for $199.95 inflation dollars and in 1954 for

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$169.95. In World War II GM cut its price on airplane engines to the government from $14.00 per horsepower for the first 2,000 engines to $5.50 per horsepower for more than 125,000 engines. A boy's bicycle at Sears was $24.94 in 1953; in 1939 it was $33.95.

THE TRULY CLINCHING fact in Mr. Maurer's display is the behavior of the price of aluminum during the period when Alcoa happened to be the single aluminum company in the field. In 1888 the price of aluminum stood at $8.00 per pound. The electrolytic process cut the price at once to $2.00. Between 1913 and 1937, when prices in general roughly doubled, aluminum prices declined by 15 per cent. And this despite the fact that Alcoa, according to the textbooks, was a "perfect" monopoly.

Mr. Maurer says the Big Corporations treat the consumer well because they are afraid of the "social vote" as well as the "economic vote." This may be true in a land where the antitrust laws can always be invoked. But now that they have quite thoroughly learned the economic virtue of trying to set a price at a point that will bring out a huge and continuing demand, why should the Big Corporations ever forget it? Cutting off one's nose to spite one's face is not a luxury in which any good businessman would knowingly indulge.

Mr. Maurer seems to think that the price behavior of the Big Corporations somehow bypasses our old friend, the law of supply and demand. But all that the law ever said was that supply and demand tend to balance at a price. The law would seem to be one of those self-evident truisms, as obvious as the fact that fire burns. It doesn't matter much whether balance is achieved by the higgling of an old-fashioned market, or whether it is the result of conscious experiment by people who know what their unit costs are likely to be at any given volume. To say that the law of supply and demand is suspended merely because a time dimension has been introduced into the equation is a little like saying that the laws of arithmetic do not pertain as adjuncts to higher mathematics. Just so long as lowered prices for an increased supply tend to bring out a bigger demand, one can be certain that the world of economics hasn't changed beyond recognition.

John Quincy Adams and the Union by SAMUEL FLAGG BEMIS. New York: Alfred A. Knopf. 547 pp. $8.75.

John Quincy Adams was the last President to serve before the flood

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of Jacksonian equalitarianism permanently changed the tone of American political life. He was not a brilliant or a profound man; but he was an indefatigable worker who kept a diary of his activities for sixty years; a prodigious reader, learned in sciences other than politics; and he was a patriot of the Revolutionary school. Perhaps most important of all, he possessed a New England conscience, which means that he had character, however angular and lacking in charm. There were many uses for a man like this in the formative period of our republic, and history did not fail to match him with great events. "A boy tugging at his mother's hand, he watched from a distance the battle of Bunker Hill," and he served his country until the age of eighty, when he was fatally stricken on the floor of the House while making a speech on the Mexican War.

The great contest of his life was with Andrew Jackson, whom he defeated for the Presidency in 1824 only after the election was thrown into the House of Representatives. It stands as one of the few times that a mere civilian has been able to triumph over a military hero in a rivalry for the chief office of the land. Even so, it was an uneasy Presidency; Adams' rather abstract program of "Liberty with Power" did not excite the popular mind, and the Jacksonians marked time until they could make their real power felt. After his term as President he was sent to Congress from the Plymouth district of Massachusetts in 1830, and he served faithfully in the humbler office for eighteen years.

During this period as legislator, Adams fought for an "equitable" tariff, supported the Bank of the United States as an instrumentality of Union, took a leading part in the anti-Masonic movement which at one time attained considerable political proportions, contended against the Southern "nullifiers" at every opportunity, and opposed the annexation of Texas as a nefarious scheme to increase the power of the slavocrats.

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All of these matters the author relates in sober professorial style, with compendious footnotes. To say that the narrative is fresh or exciting would be unwarranted. It is a product of scholarly industry, with no aspect of Adams' mature life considered too dull for liberal quotations and citations. Adams' early career was similarly treated in Bemis' previous biography of him.

No experienced reader of biography expects a biographer to be wholly impartial; the very fact that he has chosen a certain life to chronicle shows that he cherishes some sentiment in regard to it. Nevertheless, it seems to me that in two instances Bemis has been unduly partisan and lacking in critical candor. The first of these concerns his subject's relation to the Texas Question. In his early years, Adams had been an expansionist himself, but when Texas entered the picture, he seemed to lose all perspective. He swallowed whole the current abolitionist view of the issue, which was that the annexation of Texas and the Mexican War constituted a gigantic plot on the part of Southern slave owners to add to their territory. Recent historical scholarship has proved that the facts are at variance with any such interpretation. On this matter Adams was parochial, short-sighted, and intemperate.

In the second instance, he seems most ungenerous to John C. Calhoun. Every stick is used to beat this American statesman. He chortles over Calhoun's about-face on the tariff issue. In a fashion hardly congruous with critical scholarship, he captions Adams "Defender of Freedom" and Calhoun "Defender of Slavery." It is just as if Adams had to have a "heavy," and Calhoun is it. The reader gets no inkling from what is said here that Calhoun, through his doctrine of the concurrent majority, is one of the most effective of all antitotalitarian spokesmen, and that as far as political theory goes, he erected a sounder scaffolding for liberty with power than did Adams himself.

The vast amount of research which went into this work leaves every reader in Professor Bemis' debt. But the execution as a whole leaves something to be desired. An excessive spirit of adulation rather frequently interferes with proportioning, and colors the author's expression.

RICHARD M. WEAVER

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DOWN THROUGH THE AGES, century after century, time and time again, men have killed their rulers and have slaughtered one another in untold millions, in the effort to find an authority that would improve their conditions. From priest to king, from king to oligarchy, from oligarchy to despot, from despot to majority, from majority to bureaucracy, from bureaucracy to dictator, from dictator to king, from king to . . . and so on, and so on. There have been 6,000 years of it; and for 6,000 years, people have gone hungry. The simple reason is that human energy cannot be made to work efficiently except in an atmosphere of individual freedom and voluntary cooperation, based on enlightened self-interest and moral responsibility.

A selection from "The Mainspring of Human Progress" by Henry Grady Weaver. Foundation for Economic Education, Irvington-on-Hudson, N. Y. 279 pp. $1.50 paper-bound, $2.50 clothbound.

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